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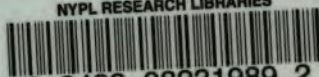
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PROCEEDINGS  
OF THE  
TWENTY-SECOND ANNUAL MEETING  
OF THE  
✓  
Fire Underwriters' Association  
OF THE NORTHWEST.



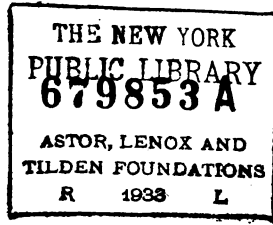
CHICAGO, ILL., OCTOBER 7, 8 and 9, 1891.

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*"Ex fumo dare lucem."*—HOR.

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TWENTY-SECOND ANNUAL MEETING  
OF THE  
FIRE UNDERWRITERS' ASSOCIATION  
OF THE NORTHWEST.

---

*PRESIDENT.*

H. C. EDDY, - - - - - CHICAGO, ILL.  
Resident Secretary Commercial Union, England.

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*VICE-PRESIDENT.*

BYRON G. STARK, - - - - - SAGINAW, MICH.  
State Agent Niagara Ins. Co.

---

*SECRETARY AND TREASURER.*

E. V. MUNN, - - - - - BELOIT, WIS.  
Adjuster and Agent.

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*BOARD OF DIRECTORS.*

E. L. ALLEN, Assistant Manager Royal Ins. Co., - - - CHICAGO, ILL.  
R. M. BUCKMAN, Gen'l Ag't Rhode Island Underwriters' Ass'n, CHICAGO, ILL.  
RALPH CRABLE, Special Agent Orient Ins. Co., - - - EVANSTON, ILL.  
H. C. EDDY, Resident Secretary Commercial Union Assur. Co., CHICAGO, ILL.  
H. P. GRAY, State Agent and Adj'r. N. Y. Underwriters' Agency, ST. LOUIS, MO.  
JACOB PEETREY, State Agent Fire Association, Phila., - LONDON, OHIO.  
C. W. POTTER, State Agent Aetna Ins. Co., - - - MILWAUKEE, WIS.  
P. A. MONTGOMERY, Secretary Western Mnfrs. Mut. Ins. Co., CHICAGO, ILL.  
BYRON G. STARK, State Agent Niagara Ins. Co., - - - SAGINAW, MICH.  
J. H. CASWELL, Adjuster Germania Fire Ins. Co. of N. Y., CHICAGO, ILL.  
E. V. MUNN, Adjuster and Agent, - - - - - MILWAUKEE, WIS.  
J. C. GRIFFITHS, State Agent Home Ins. Co. of N. Y., MILWAUKEE, WIS.  
WM. M. WRIGHT, Special Ag't American Fire Ins. Co., Phila., JANESVILLE, WIS.

## Programme of Twenty-Second Annual Meeting.

### FIRST DAY.

#### OPENING SESSION—WEDNESDAY, OCTOBER 7.

9:30 A. M.—Roll will be called promptly.

Annual Reports of Officers and Standing Committees.

Election of New Members.

President's Introductory Remarks.

ANNUAL ADDRESS—By MR. GEORGE F. BISSELL, of Chicago, General Agent of the Hartford Fire Insurance Company.

ADDRESS—By MR. THOMAS B. BRYAN, 1st Vice-President of the World's Columbian Exposition, on "Fire Underwriters and the World's Fair."

Adjournment.

### SECOND DAY.

#### MORNING SESSION, OCTOBER 8—9:30 O'CLOCK.

PAPER—"Necessity for Concerted Action, for Improvement and Inspection of Risks," by MR. U. C. CROSBY, of Boston, President New England Exchange.

PAPER—"What Good Things do the Mutual Companies Possess?" by MR. H. P. HUBBELL, Winona, Minn., Special Agent Springfield F. & M. Ins. Co.

ADDRESS—"Fire Prevention by the Coroner Plan," by MR. C. C. HINE, Editor of *Monitor*, New York City.

#### AFTERNOON SESSION—2 O'CLOCK.

PAPER—"As to Our Honesty," by MR. SETH EGGLESTON, of Kansas, Special Agent Royal Insurance Company.

PAPER—"Insurance as a Profession *vs.* The Insurance Business," by MR. WM. E. PAGE, Minneapolis, Special Agent New York Underwriters' Agency.

PAPER—"Random Remarks on Fire Insurance," by MR. D. W. WILDER, of Kansas City, Editor of *Insurance and Investors' Magazine*.

PAPER—"Paul *vs.* Virginia," by MR. SYLVESTER G. WILLIAMS, General Adjuster, Denver, Colorado.

### THIRD DAY.

#### MORNING SESSION—10 O'CLOCK.

PAPER—"The World, the Flesh and the Devil: Their Relation to Insurance," by MR. J. C. GRIFFITHS, Milwaukee, Resident Secretary North

British & Mercantile Insurance Company.

PAPER—"Net Results," by MR. EUGENE HARBECK, Detroit, Mich., Secretary Michigan F. & M. Insurance Company.

ADDRESS—"The Great Chicago Fire of Twenty Years Ago," by MR. CHARLES A. HEWITT, Editor of *The Argus*, Chicago

Election of Officers for Ensuing Year.

Intermission.

PROCEEDINGS COMMEMORATIVE OF THE GREAT FIRE, OCTOBER 8, 9 AND 10, 1871.

Adjournment.

NOTE.—During the time of our meeting, the Equestrian Statue of General U. S. Grant, in Lincoln Park, will be unveiled. Announcement will be made at the opening of our meeting, October 7, of the hour, and opportunity given our members to witness this very interesting event.

# PROCEEDINGS

OF THE

## Twenty-Second Annual Meeting of the Fire Underwriters' Association of the Northwest,

*Held at the Grand Pacific Hotel, Chicago, Oct. 7, 8 and 9, 1891.*

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### FIRST DAY.

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#### OPENING SESSION.

WEDNESDAY, October 7, 1891.

THE members were called to order by President Eddy, at  
10 o'clock A. M.

The President announced that the first order of business would be the roll-call.

Mr. George W. Hayes—

Mr. President, I move that the roll-call be dispensed with this morning, and during the sessions of this convention, because it is purely a formal matter. There are comparatively few members in the room at present, and, as the Secretary invariably gets his list of members in attendance at our meetings from the stubs of the checks, I would move, to save the time of the Association, that the roll-call be dispensed with.

The motion was seconded and carried.

The President—

The next order of business will be the reading of the minutes of the previous meeting.

Mr. J. C. Griffiths—

As those minutes are in print, I move that the reading of them be dispensed with.



The motion was seconded and carried.

The following members were present during the meeting :

Adams, Geo. W.,	De Roode, Holger,	Leach, Walter C.,	Schupp, Simon,
Affeld, Chas. E.,	Devin, D. T.,	Lee, Frederick W.,	Sikkema, U. H.,
Allen, E. L.,	Eddy, H. C.,	Leisch, C. N.,	Simonds, E. A.,
Alverson, H. C.,	Eustis, Truman W.,	Lemon, Chas. E.,	Singleton, J. P.,
Armstrong F. W.,	Fargo, W. D.,	Lenahan, J. H.,	Smith, R. J.,
Arnold, Fred. W.,	Ferguson, W. G.,	Lewis, Edwin C.,	Smith, T. H.,
Aspinwall, S. F.,	Fisher, G. M.,	Littlejohn, W. J.,	Smith, Thos. H.,
Barry Chas. H.,	Foljambe, Theo. D.,	Love, A. J.,	Southwick, S. H.,
Bennett, H.,	Foote, A. D.,	Lovejoy, Geo. M.,	Sprague, Samuel E.,
Berne, J. J.,	Foreman, E. P.,	Lyon, George M.,	Stark, Byron G.,
Berry, E. H.,	Fox, W. F.,	Lyon, W. A.,	Stuart, H. C.,
Black, J. P.,	Franklin, Morris,	Maitland, T. L.,	Swager, J. M.,
Blackwelder, I. S.,	French, B. W.,	Margah, Lewis F.,	Sweeney, A.,
Bliven, Chas. E.,	Friedley, H. H.,	McDonald, J. J.,	Thomas, John V.,
Bliven, Wait,	Garrigue, R. H.,	McGill, M. R.,	Tiffany, H. S.,
Bonar, L. J.,	Gill, George C.,	McLeran, J. B.,	Tower, Frank H.,
Bradshaw, W. D.,	Gray, H. P.,	McMillan, L. S.,	Townsend, A. F.,
Brant, J. A.,	Gray Henry W., Jr.,	McSween, J. F.,	Trembor, Wm.,
Bredenhagen, W. C.,	Griffiths, J. C.,	Miller, A. F.,	Trumbull, A. J.,
Breiling, Frank,	Hall, Cecil A.,	Miller, C. N.,	Van Voorhis, Frank,
Briggs, Theo. W.,	Hall, J. B.,	Montgomery, P. A.,	Wagner, D. S.,
Buckman, R. M.,	Hall, J. B. T.,	Montgomery, I. S.,	Walker, E. S.,
Burrows, D. W.,	Harbeck, Eugene,	Moody, L. D.,	Walker, H. H.,
Calley, E. J.,	Harford, W. P.,	Moore, Geo. H.,	Warner, J. H.,
Campbell, P. S.,	Hawxhurst, W. F.,	Munn, E. V.,	Washington, H. B.,
Carson, R. B.,	Hayes, Geo. W.,	Munson, E. A.,	Webber, H. F.,
Case, Chas. Lyman,	Hayes, J. J.,	Nolte, H. A.,	Wells, David W.,
Caswell, Jas. H.,	Heywood, P. P.,	O'Brien, J. W.,	Wheeler, E. S.,
Chamberlin, W. O.,	Hildreth, L. E.,	Page, Wm. E.,	White, C. M.,
Chard, S. G.,	Hine, C. C.,	Phipps, W. C.,	Whitlock, J. L.,
Chard, Thos. S.,	Hitchcock, E. M.,	Pribbenow, B.,	Whittemore, C. L.,
Condit, E. M.,	Hoffman, J. W.,	Raymond, M. H. N.,	Williams, A.,
Cornell, H. F.,	Holman, Isaac W.,	Raynolds, R. L.,	Williams, S. G.,
Cory, John D.,	Houge, H. J.,	Redfield, A. P.,	Williams, Geo. G.,
Cowles, C. S.,	Hough, E. A.,	Redfield, Geo. E.,	Wilson, Geo. A. S.,
Crandall, A. A.,	Howard, W. I.,	Rice, John F.,	Wilson, J. O.,
Cramer, Adolf J.,	Howley, John,	Riddle, J. Irving,	Witherbee, W. E.,
Crooke, W. D.,	Ingram, John C.,	Robertson, J. W.,	Witkowsky, Con.,
Cunningham, W. H.,	Jewett, W. H.,	Robbins, Geo. E.,	Wood, H. N.,
Daniel, T R.,	Jones, N. B.,	Rogers, Frank D.,	Woodward, M. S.,
Davies, John E.,	Kelsey, H. N.,	Roper, Geo. S.,	Wright, John O.,
De Camp, Jas. M.,	Kelsey, Joseph A.,	Russell, H. M.,	Wright, Wm. M.
De Forest, E. F.	Kibbee, C. W.	Scott, Walter.	

The following representatives of the Press were present: Chicago *Times*, Chicago *Tribune*, Chicago *Inter-Ocean*, Chicago *Herald*, Chicago *Evening Journal*. The Insurance Press was represented by C. C. Hine, *Monitor*; H. R. Hayden, *Weekly Underwriter*; George W. Hatch, *Age*; Louis N. Geldert, *Standard*; Dr. H. C. Martin, *Rough Notes*; D. W. Wilder, *Insurance and Investors' Magazine*, and (of Chicago), Dr. J. S. Bloomington, W. H. Freeman, Col. J. H. Kellogg, C. I. Hitchcock, and Chas. A. Hewitt.

The President—

As the reports of Secretary and Treasurer are combined, they will now be read together.

# REPORT OF SECRETARY AND TREASURER.

*To the President and Directors of the Fire Underwriters' Association of the Northwest:*

I beg to submit to you my report as ex-Secretary and Treasurer of this Association, for the year ending October 7th, 1891.

## RECEIPTS.

September 10, 1890—Balance on hand, - -		\$269 75
Dues paid for 1890, - - - - -	\$1,130 00	
“ “ 1889, - - - - -	50 00	
“ “ 1888, - - - - -	15 00	
“ “ 1887, - - - - -	5 00	
	<hr/>	1,200 00
Two copies 1890 Proceedings sold, - - -		2 75
Donation from A. Williams for re-printing early Proceedings, - - - - -	50 00	
Subscriptions from members for same purpose, - - - - -	145 95	
	<hr/>	195 95
		<hr/> \$1,668 45

## DISBURSEMENTS.

As per itemized statement, - - - - -		1,594 85
		<hr/>
Balance on hand, - - - - -		\$73 60
All of which is respectfully submitted.		

J. C. GRIFFITHS,

*Secretary and Treasurer.*

Examined and approved :

J. H. CASWELL,

H. P. GRAY,

*Committee.*

The President—

What is your pleasure, gentlemen, with regard to the report of the Secretary and Treasurer?

Mr. E. A. Simonds—

I move that it be received.

The motion was seconded and carried.

The President—

The next in order is the report of the Board of Directors, which will be read by the Secretary.

### REPORT OF DIRECTORS' MEETING

*Held Tuesday, Oct. 6, 1891, at the office of the President, H. C. Eddy.*

Called to order at 4.15 P. M., by President Eddy.

Present: H. C. Eddy, Jas. H. Caswell, H. P. Gray, E. L. Allen, R. M. Buckman, E. V. Munn, Byron G. Stark, W. M. Wright, and G. W. Adams (representing J. C. Griffiths).

President Eddy presented the programme for the Twenty-second Annual Meeting, which, on motion, was approved.

Report of ex-Secretary and Treasurer J. C. Griffiths was presented, with vouchers and other data, which, upon motion, was referred to an auditing committee composed of Messrs. H. P. Gray and Jas. H. Caswell, who reported favorably upon the correctness of same, and complimented the gentleman for the most efficient seven years of service, closed with this report.

The following names were presented for membership at the several meetings of the Board of Directors and, upon motion, recommended for election:

Allabach, E. W., Special Agent,	Commercial Un., Eng., Des Moines, Iowa.
Andrews, C. L., Secretary,	Detr. F. & M. Ins. Co., Detroit, Mich.
Bissell, Geo. F., General Agent,	Hartford Fire Ins. Co., Chicago, Ill.
Bradley, C. B., Special Agent,	Royal, England, Chicago, Ill.
Brooks, Fred. S., Spl. Agt. & Adjr.,	Niagara Fire Ins. Co., Columbus, Ohio.
Brown, J. Mabbett, Adjuster,	Imperial, England, Chicago, Ill.
Blackwelder, M. L. Special Agent,	Niagara Fire Ins. Co., Washington, Kas.
Burch, T. R., General Agent,	Phenix, Brooklyn, Chicago, Ill.
Butler, L. C., Special Agent,	American, N. Y., Toledo, Ohio.
Campbell, E. T., Resident Sec'y,	North British & M., Kansas City, Mo.
Colby, C. B., Special Agent,	Niagara Fire Ins. Co., Denver, Col.
Cooper, Geo. C., Special Agent,	Fireman's Fund, Cal., Chicago, Ill.
Crosby, Geo. R., Special Agent,	American, N. Y., Chicago, Ill.

Daniels, W. H., Special Agent,	Lancashire Ins. Co.,	Grand Rapids, Mich.
Dunlop, Chas. V., Manager,	Providence-Wash.,	Denver, Col.
Eggleston, Seth., Special Agent,	Royal, England,	Kansas City, Mo.
Englemann, C. P., State Agent,	Sun Fire Office,	Chicago, Ill.
Evans, A. N., Special Agent,	Rhode Island Und's,	Columbus, Ohio.
Fargo, F. M., Special Agent,	Sun Fire Office,	St. Paul, Minn.
Farr, Geo. D., Ass't Manager,	Mutual Fire,	Chicago, Ill.
Ferguson, W. H., Special Agent,	Lancashire, England,	Chicago, Ill.
Fisher, Walter I., Special Agent,	American Fire, Pa.,	Casseltown, N. D.
Fowler, H. T., Special Agent,	Ins. Co. N. A. & Penn F.	Minneapolis, Minn.
Gadsden, J. S., Manager,	Ætna, of Hartford,	Chicago, Ill.
Goodrich, P. R., Special Agent,	Niagara Fire Ins. Co.,	Des Moines, Iowa.
Greely, Otto E., Adjuster,	Phenix, Brooklyn,	Minneapolis, Minn.
Grenell, Howard, Special Agent,	Merchants', N. J.,	Minneapolis, Minn.
Harvey, R. D., General Agent,	Peoples', N. H.,	Chicago, Ill.
Hebgen, Gust., State Agent,	German, Freeport,	Milwaukee, Wis.
Higley, Chas. W., Special Agent,	N. Y. Underwriters',	Minneapolis, Minn.
Johnson, W. N., General Adjuster,	Ins. Co. N. A. & Penn. F.	Dixon, Ill.
Kingsley, Cal. L., Special Agent,	Orient Ins. Co.,	Waterloo, Iowa.
Little, F. W. Jr., Special Agent,	Glens Falls,	Pleasant Hill, Mo.
Luce, T. M., Inspector Western	Factory Association,	Chicago, Ill.
Lylburn, Henry, Secretary,	Delaware Ins. Co.,	Philadelphia, Pa.
Manners, R. R., Adjuster,	Phenix, Brooklyn,	Chicago, Ill.
Maybury, J. J., Resident Sec'y,	Rhode Island Und's,	Chicago, Ill.
McCauley, E. C., Special Agent,	Commercial Un., Eng.,	Indianapolis, Ind.
Nichols, W. J., General Agent,	Dwelling H. Ins. Co.,	Chicago, Ill.
Oakes, C. W., Special Agent,	Ohio Farmers',	Indianapolis, Ind.
Osmun, Dan'l C., Resident Manager,	Imperial, England,	Chicago, Ill.
Phelps, D. B., Special Agent,	Merchants', N. J.,	St. Louis, Mo.
Richardson, Chas., Secretary,	Fireman's Ins. Co.,	Dayton, Ohio.
Rollo, Wm. F., General Agent,	Girard Ins. Co.,	Chicago, Ill.
Steele, W. L., Special Agent,	Niagara Fire Ins. Co.,	Madison, Wis.
Straight, H. J., District Manager,	Sun Fire Office,	Chicago, Ill.
Tuttle, L. S., State Agent,	Liberty Ins. Co.,	Oshkosh, Wis.
Vail, D. F., State Agent,	Hartford Fire, Conn.,	St. Paul, Minn.
Wile, Edwin W., Special Agent,	Manchester, England,	La Porte, Ind.
Wilson, T. J., Special Agent,	Niagara Fire Ins. Co.,	Macon, Mo.
Whitney, F. H., State Agt. & Adj.,	Michigan F. & M.,	Detroit, Mich.
Warner, D. B., General Agent,	Phoenix, London,	Chicago, Ill.
Warren, W. S., Associate Manager,	L. & L. & G.,	Chicago, Ill.
Windle, Jos. J., State Agent,	L. & L. & G.,	Minneapolis, Minn.

It was moved that the report, as read, be adopted, and the parties recommended by the Board for membership be elected.

The motion was seconded and carried.

The report of the Librarian was then called for by the President.

## REPORT OF LIBRARIAN.

Secretary Munn—

The Librarian reports that there has been no change in his affairs since last year, and therefore he has made no formal report.

The President—

Gentlemen, you have heard the remark of our Secretary. If it is satisfactory as a report from the Librarian, we will so receive it.

No objection being offered, the report was accepted.

The President then addressed the meeting as follows:

## PRESIDENT'S ADDRESS.

LADIES AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION  
OF THE NORTHWEST:

By your election it is my *privilege* and *pleasure* to welcome you to this Twenty-Second Annual Meeting, and to congratulate you upon the promise of very full attendance, which indicates that instead of being on the wane, the appreciation of the *value* of our Association is constantly *increasing*. May it *ever* be so!

We are honored to-day by the presence, as our invited guests, of a delegation from the New England Insurance Exchange—its President, Mr. U. C. Crosby, Special Agent of the Phenix of Brooklyn; Mr. J. C. Hilliard, an honorary member of the Exchange; Mr. Samuel G. Parsons, Special Agent of the Fire Association of Philadelphia; Mr. Fred B. Carpenter, Special Agent of the Western of Canada; and Mr. W. A. R. Boothby, Special Agent of the National of Hartford.

And from the Pacific coast we have Messrs. Geo. D. Dornin, Manager of the Scottish Union and National Insurance Company, and Mr. C. F. Mullins, Manager of the Commercial Union Assurance Company.

I need not inform you that every one of these gentlemen are *veterans* in our profession, who recognize the *true worth* of associated effort, and are always to be found in the *front ranks* of progressive movement. Our Association is highly honored by their presence.

An invitation was extended to a delegation from Canada, and accepted by seven or eight of the prominent underwriters of Toronto and Montreal. I greatly regret to say that by yesterday's mail we were informed that important local matters would prevent their coming.

And to you, gentlemen, we will say, that we are glad beyond

measure to have you with us, and in behalf of the Fire Underwriters' Association of the Northwest, I extend to you, one and all, the *most cordial* welcome. *We* shall reap pleasure and profit from your presence, and we sincerely hope that each one of you may take away such pleasant recollections of his stay, as will compensate in part for the effort of coming. While *with* us be *of* us; participate in our work as the spirit may move you, and for this purpose the usual courtesies of the floor are freely extended.

I need not assure you, gentlemen of the Local and Insurance Press, of our appreciation of *YOUR* presence. For many years you have had special invitations, and we are always glad when you respond. At other meetings members of your craft have contributed some of our very best papers, and we have called *three* of your number to address us on this occasion, and we know that a feast of good things is in store for us. The services you have so frequently rendered to our Association in publishing and commenting upon our proceedings, and in lending us your encouragement in so *many* ways, has from time to time been duly acknowledged by my predecessors in office, and I take this opportunity of recording *my own* personal appreciation, and *heartily thank you* for your ever-helping hand in our labors.

When standing before you one year ago, to express, in a few hastily spoken words, my thanks for the honor conferred in electing me your President, I confess I did not *begin* to appreciate the importance of the occasion, but in the *interval* I have found opportunity to *study* a little the *birth* and *growth* of the Association, from the first meeting of a small band of field workers, who, realizing the disadvantages of single-handed efforts, resolved to *join* their issues and work for *mutual benefit* and the *elevation* of their chosen profession. At *once* the number of members began to grow, and while having no *executive functions* the Association has afforded the means of *bringing together*, annually, the *thinkers* and *seekers for knowledge* in our business, and who can *gainsay* the silent influence for good these meetings have had in the operations of our *executive* bodies and *State Boards*. Do you not know that many of the good suggestions first presented at some general meeting of this Association, have been in some way adopted into our everyday practice? And when I contemplate the *possibilities* in this direction, I cannot but feel that a membership should be highly prized and enjoyed by every eligible person. As advancement in position comes, as it *has* to many of our members, it would seem but fair that those thus preferred should not *lose* their interest, but *increase* it and their

*efforts* for our common benefit. *Many lights* might have remained hidden under the bushel had it not been for the advantages enjoyed by an active membership here. A glance at our records will corroborate this suggestion, and in this matter history will repeat itself, and most assuredly selections for high places will continue to be made from our membership.

Having no executive functions, we have avoided heated discussions and hasty action, which might have led to entanglements and possibly disruption. We have gone on from year to year spreading the leaven of good fellowship and harmony throughout the Northwest, rendering it *possible* for *executive* bodies to live and thrive in our midst, and if the results have been so striking as to cause a war of words between the West and East, or the East and West, touching ratio of profit in underwriting, it is my honest opinion that the founders of this Association are wholly responsible for it, but these results are not more than were *expected*, for the Association was *started* for the express purpose of *bettering* our business.

Twenty-one years of this work, and this work only, has given to working underwriters twenty volumes of printed matter, which in variety of topic covers the whole range of our business, physical and moral, in a style singularly free from weakness and singularly full of earnest observation, sobriety, dignity and vigor. It is not flattery when I say that these volumes are in themselves an insurance library of *great value*. I am proud, we all may be justly so, of this work of our membership in these volumes. I do not expect, nor see how you can reasonably expect, from this body or *elsewhere*, that these topics will be treated with more ability or greater interest than is done in these published proceedings, so that an invitation from this Association to prepare a paper for it may be properly accounted an honor—an opportunity to be embraced and not a task to be avoided.

It is a pleasure to know that a committee was appointed at our last meeting to reprint these volumes, that all our members might have the high privilege of having them for reference and study. A reprint of the first five years has been completed and forms a substantial and elegant volume, the expense of which has been defrayed chiefly by subscriptions from our members, and a generous *donation* from the Manager of the Connecticut Insurance Co., Mr. Abram Williams, one of the ex-Presidents of this Association, and I recommend that appropriate action be taken to secure the reprint of the second five years' series.

But these volumes are not the limit of this Association's work. Just as *real* and *quite* as *valuable* is the union it has secured in feeling, binding and guiding in many important ways our endeavors into channels of common good to all.

These annual meetings are not to be measured in their importance by the *numerical* attendance; this at *most* can be but a few hundred. But we ought to accustom ourselves to the thought that in our *combined* number we represent an *enormous* amount of capital, and that our business bears *vital relation* to the varied business of *all the world*. It is something, it is *much*, to remember that this busy world moves along all the more steadily in its activities because of the business which we in some modest part assist and conduct. Millionaires there are all around us, mighty corporations, too, of finance and manufacture, but no gathering of these can surpass in *real importance* the possibilities controlled by a meeting of the executives of the Fire Insurance business. Do not mistake these remarks as an eulogy of the dead; they are only in fair praise of the living.

Our membership in the beginning consisted of fifteen field men of the best sort, but no one of whom possessed greater than State jurisdiction. To-day its list of membership contains the names of fifty-three Managers, seven Assistant Managers, five Presidents, twenty Secretaries, and about two hundred and fifty Special Agents, Adjusters and Managers of Inspection Bureaus. In working authority capital is represented in this Association from fourteen companies in New England, ten in Pennsylvania, three in New Jersey, eighteen in New York State, three in Michigan, seven in Illinois, three in Wisconsin, three in Minnesota, two in Kentucky, three in California, three in Canada, twenty of the great companies of Great Britain, and one in Germany.

The centers from which this great business is managed in America are Hartford, New York, Philadelphia, Boston, Chicago, Cincinnati, St. Louis, Louisville, Milwaukee, St. Paul, Denver and San Francisco, but the business of the West and Northwest is at this date largely managed from Department quarters in Chicago, and the aggregate assets represented in this body amount to nearly two hundred millions of dollars, and the amount of premium written in 1890 in the territory here represented approximated forty millions of dollars.

The *personnel* of this Association remains as nearly identical as could be expected for so long a time, but its power for work is largely increased. While its *membership* has not increased for some years, the



*administrative powers* of a large number of its members has increased, and thus it is possible for this body to do and to be now what it was not possible for it in the first ten years of its existence. In thus contemplating the past history of our Association, its works and its wonderful representative power, you are, I trust, now quite ready to follow me into the inquiry that has been in my own mind for a long time: *What next can this Association do to best serve the business of Fire Underwriting?*

In the past it has kept reasonably abreast of the times, and indeed has gone ahead with its eyes open to *see* the *coming* things. The State Boards, Inspection Bureaus, schedule rates, were met more than half way, and now, what next?

To this inquiry I have given much thought, and to me there seems a problem now waiting for us quite worthy of our united wisdom and our united work, viz.: The Loss Ratio—Can it be reduced, and how? To this I would, for a few moments, ask your attention. The persistence of the loss ratio at a given point (of 60 per cent.) has not escaped your attention, defying year after year, decade after decade, every environment, every improvement of architecture, fire appliances and water supply. For figures illustrative of this result I refer you to tables submitted by our brother Deven, of the Glens Falls Insurance Co., in his address to the Association last year. In carefully scanning the facts and usages in our business, it seems as though the things that had yielded the *least* to amendment are *the loss ratio* and *the mode of inspection*, and between these two there *may* be a vital connection; possibly that of CAUSE and EFFECT. Think over this. There can, I think, be no disagreement to the *following* propositions:

*First*—The *object of inspection* should be to acquaint ourselves with the *pertinent* facts about the risks we are assuming.

*Second*—That such information, to be of much value, should be had, if possible, in time to prevent defective or badly exposed property being placed upon our books.

*Has our inspection* in the past, or does it now, fulfill these two functions?

If we answer these questions *candidly*, we must say that a *great deal* of defective risk is accepted by us *before* inspection by our Special Agents; and further, that *when* our inspections are made by our Special Agents conscientiously, as they are, do they not lack the *expert trade-knowledge* to give them full value? Let me not be misunderstood. I mean simply to say that our Special Agents, industrious, faithful and

loyal, act under limitations of knowledge of detail which experts possess; act under such knowledge as the Managers have, which is frequently not equal to their own. What *both* Managers and Special Agents lack is expert knowledge. What seems to be needed, then, is :

*First—Expert inspection.*

*Second—With reasonable frequency.*

*Third—In time for use before the risk is written.*

To know all that we can *before* a risk is written is obviously the dictate of sound sense. Our present methods of what we call inspection are, in my judgment, far short of what is needed and of what is attainable. The time must come when a great reform in this part of our business must be made, and one thorough expert inspection, both of the risk and its ownership, suffice for all companies interested, and give place to the irregular visits of thirty or forty Special Agents having each so small a line that the premium will not warrant the spending of sufficient time to properly examine and suggest improvements in the risk; not to speak of the more important inquiry into the *standing* and *character* of the assured; or, what we term the moral hazard. But you will be addressed further on this subject, during this meeting, by a gentleman who is familiar with the efforts made for united inspection, and I leave it to his experienced and able handling.

My next suggestion is, that it is probable that if we knew more about our business *after* it burns, we could thereby materially lessen and check the present loss ratio. A great deal has been said about fire inquests, and I wish to add, with all the emphasis possible, that I believe that if it were known and established *by law* that *every* loss would be fully inquired into jointly by the *insurance companies* and the *public*, by one's own neighbors appointed by law, it would prevent a multitude of losses. In his last report, the Insurance Commissioner of the State of Minnesota says :

The proportion of conflagrations that are of a supposed incendiary origin is alarming, and how this monstrous evil can be abated, is a matter of vital importance, not only to the insurance companies, but to the financial interests of the State as well. It is clear to my mind that the proper step to be taken in this direction is, for the legislature to enact a law, providing for a systematic and thorough investigation as to the origin or cause of all fires, and provide that a report, giving a detailed statement of the findings of such investigations, be published, which would not only tend to secure a more general and vigorous enforcement of the criminal law against incendiarism, but would also advise the public as to the many and varied causes of fires, thereby aiding, in a great measure, to guard against their occurrence in the future.

I am happy to announce that we shall hear from a life-long student of this subject, our friend, who is an honorary member of the Association, Mr. C. C. Hine.

Now a word as to the *need* of our attending to this. The necessity for it is *self-preservation*. The problem of a low insurance rate is a part of a general economic question—the question of expense—which every business is closely studying now, and that is what largely enters into the formation of trusts—the union of many for the benefit of each of its members. I think that *we* shall be forced sooner or later to unite in several matters that will lessen our expenses, in order to meet the demand for a less expensive insurance. This question must be met and will be successfully, if not by us, by others—possibly Mutual associations or individual underwriters.

There are other important matters to which I would briefly call your attention. The underwriters have not kept pace with the rapid growth of the use of *electricity*, and our neglect to insist upon proper safeguards has been *dearly* paid for, but of late much attention has been given to the subject, with the result of establishing a code of requirements which, it is hoped, will be generally adopted and enforced by all companies. It may be well to refer this subject to a committee to report upon at this meeting, that we may know what has been developed in recent conferences of experts.

The almost entire destruction in the city of Minneapolis, some months ago, of a modern fire-proof (?) office building, and within the past month the complete destruction in St. Louis of a six-story building of modern, slow-burning construction, used as an office and warehouse, point to the necessity of immediate attention to the subject of *high-pressure water works*. Each of these fires was communicated by the burning of low buildings several feet away. The question is often asked, How can the upper stories of the modern buildings now erected in Chicago be reached with water in case of fire? Mr. William Mus- ham, First Assistant Chief of the Chicago Fire Department, and a famous fire-fighter, has made the answer in a suggestion of a high-pressure water works system entirely independent of the present one, and declares that it will be adopted in this part of the country within a few years. I am informed that a system of high-pressure water works is in successful operation in the city of London and other European cities. The one in London, having been in active operation for the past seven years, has forty-seven miles of pipe, the largest being only seven inches internal diameter. The power reservoir consists of

accumulators loaded to a pressure of seven hundred and fifty pounds to the square inch, producing the same result as though the supply were by gravity from a point fifteen hundred feet above the street level. This system was established for the purpose of furnishing power to various manufacturing industries, but it has also been made the means of extinguishing fires with results most satisfactory. In many of our cities the buildings are six and more stories high, and yet they retain their three-story fire departments. Can this Association do anything to *improve this condition*?

## THE WORLD'S FAIR.

When the men of arts, sciences and handicrafts of the world shall assemble in this city in 1893 to commemorate the discovery of America by Columbus, and the congresses of the world's thinkers shall come with them, would it not be *unpardonable* if the wonderful business which we represent would fail to honor itself by appearing in its place with due importance? Then, again, *all* insurance associations have their social sides, but this one being the largest purely social of all Underwriters' Associations, with a membership composed of residents in good standing in our profession in nearly every State of the Union, would seem to be the *proper* agency to take initiative action in devising plans, ways and means for the proper reception of insurance guests to the World's Fair. Hence, does it not eminently become the Fire Underwriters' Association of the Northwest, whose fair fame is not confined by the Atlantic and Pacific, but extends beyond the seas, to *rise* to the *importance* of the occasion and do something in the way of extending a welcome to all the fraternity who may chance to visit our headquarters? I recommend that we appoint a committee to consider this matter. It is none too soon for consideration, and let the committee advise with officers and managers of companies as to what should be done, if anything, for I take it that all will prefer to co-operate with some well-known committee in some sort of undertaking on a comprehensive scale rather than rely upon the individual efforts of their Chicago representatives, who, while every one of them will remain at his post at such an important time, each willing and anxious to perform all *business* and *social* duties that may be demanded of them, will find it a physical impossibility to carry on their own regular business and at the same time extend the full measure of hospitality they would desire to their visiting friends. These questions will be before us during this session, and the Hon. Thomas B. Bryan, Vice-President of the Columbian

Exposition, and a citizen whom Chicago delights to honor, will talk to us upon them.

The city where we meet is itself the most amazing witness to the great value of our business. Twenty years ago these meeting days, who that walked through its desolated streets, devastated by the great fire, could conceive that such strength and such beauty would arise here! It is one of the glories of our business, that by its help, in the payment of nearly fifty millions of dollars, these marvelous things were inaugurated. At that time one of our insurance editors gave to the public wonderful pen pictures of the great conflagration, and an address by his son, Mr. Charles Hewitt, editor of the *Argus* of this city, will be read commemorative of the event, and an opportunity afforded to the Adjusters of those enormous losses, who still live, to talk over those old times with their friends. As it is not likely that such a gathering can be had again, it is hoped that the privilege will be appreciated by all. Other topics, happily chosen in the spirit which has ever characterized our members—the spirit of devotion to the best interests of all of us—will come before us. Good as these papers will be, they will yield *more* good if they have a careful discussion by you, and if there should be any failure in *this* respect it will be *your* fault.

Death has claimed four of our number since our last meeting, increasing the roll of silent members to forty-six: Jacob Peetry, Erastus J. Bassett, Frank S. Boughton, A. H. Hawley, and we must not forget Mr. J. H. C. Whiting, the oldest insurance journalist in point of service in the United States. Although not one of our members, he was a life-long friend of the Association, and it should be our privilege to properly record our sorrow at his taking away. These faces we shall see no more among us. At the proper time a committee will be appointed to prepare memorial resolutions, and I will not anticipate the work of this committee by any remarks of my own, but I express the hope that we who are left may live lives of untainted honor and gratitude for all we receive.

And now, gentlemen, with thanks for your attention, we will take up the regular order of exercises.

Major Charles E. Bliven—

The address of our President, one of the ablest and most practical ever presented from that platform, deserves more than passing attention. I therefore move that the same be referred to a committee of five,

appointed by the Chair, for division and reference to appropriate committees.

Mr. Hayes seconded the motion, which was carried.

Mr. G. H. Moore—

I move that the courtesies of the floor be extended to Local Agents of the City of Chicago, and others who may be in the city and wish to attend our meetings.

Motion carried.

The President—

I wish to give notice in regard to the formation of the programme of this meeting. Particular attention has been given to the importance of to-day as a holiday. It was intended to have an early adjournment, or at least no session this afternoon, it being the occasion of the unveiling of the equestrian statue of General U. S. Grant in Lincoln Park. Since the arrangement of our programme it has come to my knowledge that the procession will move much earlier than we had anticipated, and by 12 o'clock in this vicinity the beating of drums and sounding of bugles will be so noisy that we can hardly hear any remarks on this floor. In deference to what I take to be your wishes, and also due deference to the speaker himself, who desires to participate in the march this afternoon, the annual address of Mr. George F. Bissell will be put over until to-morrow morning at half-past 10, and the remarks of Mr. Thomas B. Bryan, also, will follow those of Mr. Bissell to-morrow morning.

Before the announcing of committees, while the attendance is so large, I wish to read a communication, which I do with very great pleasure, and ask that you take immediate action upon it, the necessity for which will be apparent to all.

CHICAGO, October 6, 1891.

*To the President of the Fire Underwriters' Association of the Northwest.*

DEAR SIR: The undersigned, executive officers, Managers and General Agents of insurance companies doing business in the Northwest, desire to tender to the members of your Association and its guests, the compliment of a banquet on October 9th next, commemorative of the great fire twenty years ago, the date named being, as we understand, the time of your next annual meeting to be held in this city.

If you will kindly indicate the hour most convenient during your session for such an entertainment, we will take pleasure in arranging accordingly.

Very respectfully yours,

CROOKE & WARREN.	E. L. ALLEN.
R. J. SMITH.	WM. D. CROOKE.
FRED. S. JAMES.	DUCAT & LYON.
DANIEL C. OSMUN.	W. G. FERGUSON.
T. R. BURCH.	C. E. VAN VOORHIS.
A. WILLIAMS.	JOS. M. ROGERS.
C. E. BLIVEN.	J. S. BELDEN.
J. L. WHITLOCK.	E. C. LEWIS.
I. S. BLACKWELDER.	JOHN HOWLEY.
E. S. WALKER.	THEO. W. LETTON.
H. C. EDDY.	R. S. CRITCHELL.
W. H. CUNNINGHAM.	CHAS. L. CASE.
THOMAS S. CHARD.	EDWIN A. SIMONDS.
J. J. McDONALD.	W. W. DUDLEY.

Mr. Howard Gray—

I move that we accept the invitation, and that the hour be half after 7. Before that motion is put I would like to make a suggestion. At the meeting of the Board of Directors yesterday it was suggested that, owing to the necessity of having a pretty accurate knowledge of how many would attend, those members who expect to remain and be present at the banquet, be requested to leave their cards with the doorkeeper as they pass out to signify their acceptance of the invitation.

The President—

In putting this motion, gentlemen, I trust you will bear in mind the remarks of Mr. Gray as to the importance of early notice to Mr. Adams at the door. Those in favor of the acceptance of this invitation will manifest it by saying "aye."

The invitation was unanimously accepted.

The President announced as committee to report upon his address: Messrs. Thomas H. Smith, C. E. Bliven, W. F. Fox, J. H. Caswell and H. C. Alverson.

The President also named committees on obituary resolutions, as follows:

*Memorial of MR. ERASTUS J. BASSETT*—Messrs. J. M. De Camp, F. C. Bennett and R. J. Smith.

*Memorial of MR. A. H. HAWLEY*—Messrs. E. M. Condit, S. R. House and E. A. Hough.

*Memorial of JACOB PEETREY*—Mr. L. J. Bonar, Mr. Ostrander and Mr. Harford.

*Memorial of MR. WHITING*—Messrs. C. C. Hine, J. S. Bloomington and Chas. A. Hewitt.

*Memorial of FRANK S. BOUGHTON*—Messrs. I. S. Blackwelder, M. H. N. Raymond and Mr. Redfield.

The President—

I will say that these reports, as they are ready, may be taken up at convenient intervals during our sessions. There is some correspondence upon our table from gentlemen whom we would gladly have had with us. What is your pleasure in regard to it?

Mr. Simonds moved that the Secretary read the correspondence, which motion was carried.

#### CORRESPONDENCE.

HARTFORD FIRE INSURANCE CO. }  
HARTFORD, CONN., Sept. 23, 1891. }

H. C. EDDY, ESQ., President Fire Underwriters' Association of the Northwest, Chicago.

*My Dear Sir:* I have before me your favor of the 19th inst., enclosing an invitation to be present at the Twenty-Second Annual Meeting of the Fire Underwriters' Association of the Northwest, on the 7th, 8th and 9th of October. It would give me great pleasure to be with you at that time, but my business engagements are such that it will be impossible for me to accept your very kind request.

The next thing to being with you will be the feeling that the Hartford office will be so ably represented in the person of General Agent Bissell, who is to deliver the annual address. I am pleased that he accepted the invitation to address you, as his long service in the field covered by your Association will certainly enable him to give you such a historical review as few men could, of the growth and development of the insurance business in the West and Northwest.

My residence and service on that field give me a peculiar interest in whatever pertains to the advancement of underwriting interests



there, and as I look over the list of members of your Association, I come across the names of not a few who were my contemporaries, and who struggled with me through the mud and over the bad roads, and suffered almost martyrdom in the poor hotels, with the unwholesome fare that obtained in them at that time. There were no Pullman cars in those days, and the poor, lone Special Agent considered himself fortunate if he could, by hook or crook, secure a ride in what was then known as the ladies' car.

I recall very vividly, as others will, the recollections and experiences of those days, and were it my privilege to be with you, the reunion with these old associates would be as pleasant, I imagine, as the reunions of our old soldiers, when they get together and talk over the trials and hardships they endured.

Your meeting occurs on the anniversary of the great fire which devastated Chicago in October, 1871. While the trials of the representatives of the companies in that city at that time were very heavy, yet the burdens which fell upon the officers of the companies, far distant from the scene of the conflagration, in the necessity which was forced upon them to provide the means to meet their obligations of millions of dollars, were not easy to bear. The writer recalls many wearisome days and sleepless nights endured at that time, and the people of Chicago ought never to forget that to the insurance companies are they indebted for the rehabilitation of their places of business and their homes.

I trust that your meeting will be all that you anticipate, and again thanking you for your very kind invitation, and asking you to express to your associates my interest in your Association and in the work which you have in hand, I remain,

Sincerely and truly an old friend of the underwriters of the West.

GEO. L. CHASE.

THE LIVERPOOL & LONDON & GLOBE INS. CO. }

NEW YORK, April 2, 1891. }

H. C. EDDY, Esq., President Fire Underwriters' Association of the Northwest, Chicago.

*Dear Sir:* I received, with feelings of great pleasure, your letter of the 30th ult.

The invitation to be present at your approaching annual meeting is highly appreciated, for I am fully aware of the high standard of the addresses delivered on like occasions in the past, and of the peculiarly

thoughtful and experienced character of the Association's membership.

In communicating to you, therefore, my regret at my inability to accept your invitation (due solely to pressure of business), I should like you and your associates to feel that I am deeply impressed with the regard for me which your invitation implies.

Very sincerely yours,

HENRY W. EATON.

INSURANCE COMPANY OF NORTH AMERICA. }  
PHILADELPHIA, Sept. 22, 1891. }

H. C. EDDY, ESQ., President Fire Underwriters' Association of the Northwest, Chicago.

*Dear Sir:* I have your kind letter of the 19th instant, and regret exceedingly that I will be unable to accept your invitation to be present at the next meeting of the Northwestern Association.

It would give me great pleasure to be a witness of your proceedings, and I quite agree with you that the occasion will be of special interest.

Again thanking you for the invitation, I am,

Yours truly,

CHARLES PLATT.

CONTINENTAL TRUST CO. OF THE CITY OF N. Y. }  
NEW YORK, Sept. 28, 1891. }

H. C. EDDY, ESQ., President Fire Underwriters' Association of the Northwest, Chicago.

*Dear Sir:* I have delayed a reply to your esteemed favor of the 26th ult., inviting me to be present at the annual meeting of the Fire Underwriters' Association of the Northwest on the 7th October next, in the hope of being able to accept the invitation.

But a recent family affliction has put it out of my power to do so, and I must, therefore, decline your kind request.

With many thanks for your thought of me, and regrets that I shall be deprived of the privilege of meeting so many of my former friends in the business of fire insurance, I have the honor to be,

Yours most faithfully,

HENRY A. OAKLEY.

## GLENS FALLS INSURANCE CO. }

GLENS FALLS, N. Y., Sept. 21, 1891. }

H. C. EDDY, Esq., President Fire Underwriters' Association of the Northwest, Chicago.

*Dear Sir:* I am in receipt of the programme for the Twenty-second Annual Meeting of the Association, with its fine promise of a rich feast of underwriting "solids."

It is possible that I may be present to enjoy the occasion, which I certainly will be glad to do, but even at this early day it does not look probable, and as I desire to assure you of my interest in the Association, I write this to say that if I am not with you it will be because other engagements will prevent.

With my best wishes for the success of this meeting and the future of the Association, I am,

Yours very truly,

J. L. CUNNINGHAM.

## UNION INSURANCE CO. OF CALIFORNIA. }

SAN FRANCISCO, Sept. 23, 1891. }

H. C. EDDY, Esq., President Fire Underwriters' Association of the Northwest, Chicago.

*Dear Sir:* I have the pleasure to acknowledge a very kind invitation to attend the forthcoming annual meeting of the Fire Underwriters' Association of the Northwest, at which, I notice, will also be had proceedings commemorative of the great fire, October, 1871.

Having been a participant in that grand adjusting tournament, it would give me great pleasure to take part in the exercises of the twentieth anniversary, but distance forbids my wish being gratified, and I can only thank the Association for their pleasant invitation, and wish you all a jolly reunion.

Very truly yours,

JAS. D. BAILEY.

## THE CALIFORNIA INSURANCE CO. }

SAN FRANCISCO, Sept. 22, 1891. }

MR. C. F. MULLINS, San Francisco, Cal.

*My Dear Sir:* Many thanks for the very cordial invitation, received through you, of President H. C. Eddy, to the "Old Guard" (in which I am complimented with mention as one), to visit the Twenty-second Annual Gathering of the Fire Underwriters' Association of the Northwest. The programme, too, fills me with an almost irresistible appetite for the once to make business secondary to pleasure,

and visit Chicago to revel in the sandwiches, so temptingly spread before me in the *menu* on my desk; many of the subjects, moreover, are so apropos to the present time and condition of things. One can fairly see, even at this distance, our genial friend 'Gene Harbeck mopping up both physical and business perspiration in figuring out the homeopathic net results of the trade for past year! The random shots on fire insurance, we trust, will scatter and not be wilder than the author, so that a bull's-eye or two can be counted even away out here in California. Mr. Griffiths' subject, the Liverpool and London and Globe—I beg pardon, “The World, The Flesh, and The Devil,” has such a generous scope that it gives some of us slopers in the P. I. U. a cold, clammy, disagreeable chill, especially our legislative committee and its late supporters. On the other hand, when General Harding's Winona Special dons his telescopes and ferrets about hunting for the stingy points of his subject, am afraid your usually dignified body will resolve itself into the greater dignity of a Quaker meeting, at least until the old Patriarch who follows undertakes the coroner's job of inquesting the future fire losses, which has ruined our contingents, stopped our dividends, and cut off our advertising patronage. I leave to you, brother Mullins, the duty of ably reporting all the serious questions of the business on this side of the Rockies. You know our quarrels among the “Old Guard” are like those of lovers, and not unlike summer showers, which leave the country all the more fresh and beautiful: not wishing to convey the idea, however, that Pacific Underwriters *need* freshening, as *you* know we are keeping up our general average as freshmen, and hope Chicago is enjoying the same blessing!

Kindly express my personal regrets that circumstances over which I have no control (principally the sudden lopping off of a glowing and nearly ripe contingent), will prevent my attending the Twenty-second Annual Meeting.

“Absence diminishes weak passions and augments great ones, as the wind extinguishes tapers but increases conflagrations.”

Yours faithfully, L. L. BROMWELL.

THE PHOENIX INSURANCE CO. }  
HARTFORD, CONN., Sept. 21, 1891. }

H. C. EDDY, Esq., President Fire Underwriters' Association of the Northwest, Chicago.

*Dear Sir:* On my return to the desk this morning, after a two

weeks' absence, I find awaiting my attention your valued favor of the 19th, extending to me a most cordial invitation to be present at the next meeting of the Fire Underwriters' Association of the Northwest.

I would be very glad indeed to be present at the meeting, but owing to my absence I find a great pressure upon me, and as I am compelled again to be absent for a few days, I fear it will be impossible for me to go to Chicago at the time named in the invitation.

Thanking you for your courtesy, and hoping that the meeting will be an interesting and most successful one, I am,

Sincerely yours,

D. W. C. SKILTON, *President.*

UNDERWRITERS' ASSOCIATION OF N. Y. STATE. }

SYRACUSE, N. Y. }

DANSVILLE, N. Y., Oct. 5, 1891. }

H. C. EDDY, ESQ., President Fire Underwriters' Association of the Northwest, Chicago.

*My Dear Sir:* I am in receipt of yours of Sept. 23d, enclosing programme of your annual meeting, and extending to myself and any delegation I might appoint an invitation to be present on that occasion. The invitation sent to Mr. Marr I did not receive, so that yours of above date is the first notice of the meeting that reached me. I regret exceedingly that I received it too late to present to the September meeting of our Association, and as our October meeting will not be held until the 13th, any action on our part then will of course be too late. I delayed sending reply to your favor until this late day, thinking I might possibly arrange to be present with you, but important business matters will prevent my doing so. In the name of the New York State Association I thank you for the invitation, and hope your meeting will be enjoyable and successful in every respect.

Yours very truly,

THOS. E. GALLAGHER, *President.*

PALATINE INSURANCE CO. (LIMITED), }

OF MANCHESTER, ENGLAND. }

SAN FRANCISCO, CAL., Sept. 22, 1891. }

C. F. MULLINS, ESQ., Manager Commercial Union Assurance Co. (limited).

*Dear Mr. Mullins:* I am very thankful to you for the privilege of reading a recent letter addressed to your good self by Mr. H. C. Eddy,

of Chicago, Ill., Manager of your company in the so-called Northwest, also President of the Fire Underwriters' Association of the Northwest, touching the Twenty-second Annual Meeting of the Association above referred to, to be held October 7th, 8th and 9th next, being the twentieth anniversary of the great Chicago fire.

It so transpired that I was in Chicago when the great conflagration took place; witnessed it from the incipency thereof until its culmination. For several years prior thereto, I had been the General Agent for twelve States, with headquarters at Chicago, for the Pacific Insurance Company of San Francisco, Cal. I had been recently elected Secretary of said company, and had all our worldly effects packed in trunks and cases, ready for shipment to the Pacific coast. Mrs. Laton was in New York City, visiting her people there, and it was my intention to start for New York on Monday succeeding the fire, which broke out on Sunday afternoon. It was an experience never to be forgotten, and I earnestly trust that I will never see its like again.

You may be sure that it would please me more than a little to take friend Eddy, and many others, by the hand, and participate in the programme of the Twenty-second Annual Meeting aforesaid, but it will be impossible for me to do so, as I am expecting General Manager Lane, of the Palatine Insurance Company (Limited), on this ground on or about said time.

Please kindly intimate to Mr. Eddy my regrets at not being able to put in an appearance. After glancing over the programme which you so kindly sent to me, I am free to confess that those of us who cannot be present will indeed miss a great deal.

With assurances of high regard, beg leave to remain,

Yours very truly.

CHAS. A. LATON.

THE AMERICAN FIRE INSURANCE CO. }  
PHILADELPHIA, Sept. 4, 1891. }

H. C. EDDY, ESQ., President Fire Underwriters' Association of the Northwest, Chicago.

*My Dear Sir:* I am to-day in receipt of your valued favor of 26th August, ult., conveying your very courteous request that I should prepare a paper for the coming annual meeting of your Association next month.

My inclination forbids me to turn aside from your kind expressions, and indeed prompts me to accede to your desires; but I must

ask you to excuse me from such an effort as your Association merits at its regular meeting, as I find myself much and closely confined at this season, and feel quite sure I could offer nothing worthy of the occasion. Your considerate suggestion of leaving the topic of such a paper to my own nomination, is, I assure you, duly appreciated.

With assurances of my sincere interest in your organization and its welfare and continued influence, and with my personal regards to its worthy President, I am, my dear Mr. Eddy,

Very sincerely yours,

THOS. H. MONTGOMERY, *President.*

GERMAN-AMERICAN INSURANCE CO. }  
NEW YORK, Oct. 5, 1891. }

H. C. EDDY, ESQ., President Fire Underwriters' Association of the Northwest, Chicago.

*Dear Sir:* I am in receipt of your kind favor enclosing programme for your next meeting of the Association. I regret exceedingly that the days they will be in session are ones at which I am required to be here in New York, engaged with our finance committee on matters of importance to ourselves. I have no doubt that you will have a full attendance and also a very interesting session.

Regretting exceedingly that I cannot be with you, but extending my best wishes for the continuation of your Association, and kind regards for yourself, I remain,

Yours very truly,

JNO. W. MURRAY, *Vice-President.*

After the reading of the correspondence, Major Bliven rose for the purpose of introducing a delegation of visitors from the East.

Major Bliven—

We have to-day with us quite a number of gentlemen who have come a long distance. Having served some time in the field they now occupy, and having made many pleasant acquaintances in that field, it gives me great pleasure to introduce to you the delegation from New England—Mr. U. C. Crosby, Mr. Boothby, Mr. Frederick B. Carpenter, Mr. Samuel G. Parsons and Mr. J. C. Hilliard.

These gentlemen rose while the President said:

GENTLEMEN: I wish to assure you that it is with greatest personal pleasure that I greet you this morning. I have traveled many

years with each of you. I feel as if a band of brothers had come from afar off to meet me this morning. Our Association is indeed highly honored with your presence, and we hope you will enjoy your visit and come again to our future meetings.

Mr. Crosby—

In behalf of the delegation from the New England Insurance Exchange, I desire to thank you for the cordial welcome that you have extended to us at this time, and for this invitation. I can assure you that we anticipate great pleasure and quite a little profit from thus meeting with you at this time. We already begin to realize what a very small part of this great country, geographically, the little part of New England we come from is, and we already have a feeling of inspiration and exhilaration in being with you. I thank you again for this invitation and cordial welcome.

Mr. Parsons—

One moment. If I am allowed, I wish to say this: Fair New England greets the glorious Northwest. The sunrise greets the sunset, and as their gleaming, brilliant coruscations of light rest upon us, we bask alike in their warm rays. And Chicago, this monarch, this giant of the West, opens his big arms, hugs us to his broad bosom and says, "Welcome, my children." Thank you; thank you for this welcome.

Mr. George W. Hayes—

Chicago, twenty years ago, gave the New England Adjusters a very warm reception about this time of the year, and we wish to greet them with equal warmth to-day.

The President—

I wish to say that if any present desire to make an effort to see the unveiling ceremonies this afternoon, it will be necessary for them to start from this room by 12 o'clock, in order to get a light luncheon and reach Lincoln Park in season. It is possible there may be a large enough number desiring to go, to warrant us in forming in line with the regular procession. It may be possible, even at this late moment, to get a permit so to do. If in line in the procession, we will have an opportunity of seeing something; if not in line, but taking the chances of the multitude, I fear it will hardly pay many of you to go over to Lincoln Park. Although it is a pretty large park, there will be a great many who will not be able to see or hear anything of interest. Allow



me to remind you that on account of the necessary change in the programme, our later sessions will be pretty well crowded. Every one of these papers, gentlemen, will be read at this meeting, and to afford an opportunity we must come together early to-morrow morning. The time set is 9:30. We came pretty near it this morning; we shall come nearer it to-morrow. We will remain in session until the noon hour, and the convention will be prolonged until all that has been set for the second day shall have been concluded, including the annual address and the remarks of Mr. Bryan. The third day will necessarily be a short session, that is, occupying a full, long morning. In the afternoon this room will have to be given up to the proprietors of this house, to arrange for the banquet to which you have been invited.

While so large a number is present, it may be quite acceptable if some papers, arranged for the morning or afternoon session of to-morrow, be read now. Would that be your pleasure, gentlemen? If so, please manifest it by saying "aye."

The ayes being unanimous, the President inquired if Mr. Hubbell was ready with his paper, "What Good Things do the Mutual Companies Possess?"

Mr. Hubbell—

I can get my paper, Mr. President, if you will excuse me a few minutes.

The President—

We might utilize this time if somebody would make a motion to nominate a committee on the selection of Directors for the ensuing year.

Mr. Frank Van Voorhis—

I move that a committee be appointed in the usual way, for the nomination of Directors for the ensuing year.

The motion was carried.

Mr. Hubbell having returned to the room, the President said:

Gentlemen, I have the pleasure of introducing Mr. H. P. Hubbell, Special Agent of the Springfield Fire & Marine Insurance Company, who will undertake to tell us what good things the Mutual companies possess.

WHAT GOOD THINGS DO THE MUTUAL COMPANIES  
POSSESS?

Mr. Hubbell—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS'  
ASSOCIATION OF THE NORTHWEST:

The subject assigned to me, "What Good Things do the Mutual Companies Possess?" is a question that is easily answered. Those Mutuals which have not failed possess a great many good risks which the Stock companies wish they had, and those Mutuals which have failed possess a great many good notes which the makers wish they had. Then, too, it might be said that all Mutuals possess a large fund of good experience which has cost them a great deal and which some of them would be willing to dispose of for a nominal sum.

But the Mutual problem should not be treated lightly. It is one of the singular, and one might say, anomalous things, that while most enterprises go through a gradual process of development, call it evolution if you choose, fire insurance on the stock plan seems to have been born well-nigh perfect. Anyway, there has been no radical change in the system in the last hundred years. Of course, there have been changes in the methods of detail, but the underlying principles have remained the same. There is a capital contributed by stockholders, as a guaranty of good faith and as a protection in great emergencies; there is a taking of business at a definite percentage for the different hazards, more or less arbitrary and more or less variable. If the business shows a loss the stockholders pay it; if a gain, they profit by it. The interest of the assured in the *cost* of the insurance ceases when he has paid his premium. Companies poorly managed on this basis have failed by the score and have passed away; companies rightly managed have grown to be powerful financial institutions with large accumulated assets; and it is the existence of these large companies with their millions of increase, which makes the mutual idea so alluring to the large insurer, notwithstanding that the indemnity offered by these large companies is absolutely perfect, and notwithstanding, also, that experience has shown over and over again, that these large accumulations are a necessity in those great conflagrations which from time to time sweep out whole cities. The infrequency and uncertainty of such catastrophes makes them appear to many minds so remote, that the fear of them is more than offset by the immediate and certain gain in premiums.

While, therefore, Stock companies but perpetuate those principles which have been in existence for a century, and are eminently conservative, we must nevertheless look upon the Mutual plan as an earnest effort to evolve from the conditions a better and more satisfactory system. The study, therefore, of their successes and their failures, is a most interesting one and full of instruction for a worker under the Stock plan.

The Township Mutual is, perhaps, the simplest form of Mutual insurance, and by it is illustrated the principle of mutuality in the highest degree. There is an absolute *community* of interest. It is a *neighborhood* matter. All have the same class of risks, so that the hazards are the same. The good things that these companies possess are: first, a community of interest; and second, a perfect knowledge of the subject of insurance, including a knowledge of the assured, his habits, character, and condition, and an equally perfect knowledge of the value of his possessions. The way that a township committee of three practical farmers will figure cash values for buildings, agricultural implements and live stock, will make the average Adjuster pale with envy and will double discount books on depreciation. This thorough knowledge of the situation practically eliminates the moral hazard, which is equivalent to a saving of from 25 to 40 per cent.

The nearest approach to township companies in mutuality of interest is to be found among the New England Factory Mutuals. These, while having a community of interest, lack the neighborhood factor. The risks being scattered over a large region, it is impossible to have that thorough knowledge of the condition of the assured which the Township Mutuals possess, and consequently the elimination of the moral hazard to the same extent is not possible; but, on the other hand, the exactions in the way of fire protection act as a check upon any latent moral hazard, and keep the percentage of fires from moral causes at an extremely low figure.

The Factory Mutual insurance is the only *scientific* insurance in existence. It is the only insurance which educates its patrons up to its own high standards. It begins with the construction of the building. It does not require it to be fire-proof or even slow burning, but it does insist that there shall be no hollow walls, ceilings, or cornices, or other hiding places for fire, and that there shall be as great a freedom from partitions as is possible. It looks after the products of the factory, after the refuse and waste, and sees that it is safely cared for. It insists upon cleanliness. It then takes up the subject of fire-protec-

tion and sees that the water supply is ample and available at all times. It brings the apparatus up to a well-nigh perfect state. It sees that it is located so as to command every part of the premises. Having thus brought the risk up to its admission standard, it subjects it to frequent and rigid inspections to see that it is kept there. The willingness of the assured to make the large expenditure necessary to bring the building and the fire-protection up to a high standard, and to permit the frequent examination of the premises, indicates quite plainly an absence of internal moral hazard. And even did such hazard exist, the presence of automatic sprinklers, automatic alarms and self-registering watch clocks, acts as a well-nigh complete check upon such latent danger.

The Western Mutuels, like those of New England, lack the neighborhood feature, and they also lack that community of interest which the New England Mutuels have fostered, by confining their operations to the same or closely allied classes. The Mutuels of the West cover several large and widely separated States, and write with equal freedom on most classes of special hazards. When they were first started these Mutuels confined themselves to a few classes of hazards, and exercised the greatest conservatism in their selection of risks. The success of these companies led to the organization of others on the same plan, and these to others, until the supply of companies was greater than the demand for them, and there was not first-class business enough to go around. Hence second and even third-class business was taken in, inspections were relaxed, and experiments attempted in the way of doing a miscellaneous business. These departures from conservative practices resulted in excess of losses, failures, and a general distrust of Mutual insurance, which feeling still exists. Those companies which have withstood the storm have returned to their first practices, of careful selection of risks, thorough inspections, and an entire absence of experimental features. It will probably be many years before the results of these failures can be overcome, and Mutual companies be the competitors that they were two years ago.

The lessons taught by the failure of the Western Mutuels and by the success attending the Township and the New England Mutuels, are the same, viz., that the Mutual plan is not applicable to a *general* business, but is only successful when confined to a limited class, or to risks of large value having special protective features; that a thorough and exhaustive knowledge of the risk, morally and physically, is the first essential; that protection, equal to any demand upon it, must be

provided, and frequent inspections be maintained in order to keep every possible check upon the indifference or carelessness of others.

The effect of Mutual processes and competition has been to educate field men to a more careful study of special hazards, and for that matter, of all hazards; and it has greatly extended the demand for, and intelligent application of schedule rating; it has called attention to the specially dangerous features of different manufacturing processes and has set our minds at work to combat the danger with adequate protection, and it has enabled us to measure the precautions taken and to give exact credit for them.

Another good thing which the Mutuals possess, if you will excuse the Hibernicism, is the absence of the Local Agent. With the Stock companies the Local Agent is a necessity. It is he that brings the grist to the mill, without which the wheels would cease to go around and the toll to be paid; or, changing the simile, it is he that gathers the fagots from out of which we build our annual hundred million bon-fire.

I am not of those who look upon the Local Agent as full of cupidity and self interest, and as one who is constantly working in subtle ways to get the company to pass an undesirable risk. On the contrary, my sympathies are with him, and I have the highest regard for his integrity and his good intentions. But he is greatly handicapped by his limited field and experience. He is asked to select risks up to an average standard, when perhaps those under consideration are the only ones of their class that he has ever seen, and in the majority of instances his knowledge of hazards does not extend beyond the limits of his own village. His loyalty to his town and to its citizens is one of the fine traits of his character, but it leads him to look with favoring eyes upon risks which a more dispassionate judgment would reject. Unfortunately this tendency of his can only be restrained by losses which teach him the fallibility of his own reasoning, and at the same time the soundness of those methods which the company has from time to time tried to impress upon him.

The education of Local Agents is an expensive process. It would, perhaps, be cheaper to send some of them through Yale or Harvard. Every inspector and Adjuster has pondered in amazement over their stupendous confidence in the innate goodness of human nature, and the surprising lack of common prudence shown by agents whose age, occupation, and general intelligence should have placed them above such mistakes. But the worst of it is that when we have got them fairly educated and can rely upon their judgment, they have a dis-

agreeable habit of dying and thus making it necessary to go over the interminable process again.

Fire insurance is not one of the exact sciences. The most we can do is to get every possible check upon the dangers that beset the business, and by a process of elimination to so minimize the chances of loss as to carry a risk safely within the average which experience or competition determines. The Mutuals, therefore, by abolishing the Local Agent have just that advantage over the Stock companies as is measured by the aggregate of those losses which are due entirely to the inexperience of the local men, and this is sufficient to materially affect the loss ratio. The Mutual plan of employing only experienced field men for solicitation of risks, would not be feasible were they to attempt the miscellaneous business of the Stock companies, but confining their business mainly to high-rated specials, writing large lines and for long terms, they can give into a few hands what under a general business would not be possible.

But perhaps the chief good which the Mutuals possess is the faculty they have of enlisting the interest of the assured in projects for the improvement of their risks, working together, as it were, for the common good. In consequence of this, much of the antagonism formerly met with has disappeared, and it is now possible to make reasonable suggestions about a risk without receiving in return an inquiry as to how much it would lower the rate, or a reply to the effect that if we did not like it we need not carry it. It should be our aim to encourage this spirit of mutual interest. It requires a thorough knowledge of the subject in hand and such a common-sense presentation of our suggestions as will commend them to the practical men with whom we have to deal. Mere captiousness will not do, neither will the least suggestion of a desire to impress one with a sense of our superior knowledge. Mutual men camp down, as it were, on a risk, and get acquainted with it and with the owner. Such painstaking, conscientious work gains the good will of their patrons. While the multifarious nature of our duties prevents us from giving the time to any one risk which the Mutual system requires and allows, we may nevertheless imitate their good example and by careful study and comparison be enabled to slowly but steadily bring about such reforms as will tend more and more to perfection.

Those Mutuals which have succeeded have set an example in thoroughness worthy of our imitation, and those which have failed have taught us that inefficient and slipshod methods but lead inevit-

ably to disaster. So that the study of the Mutual system possesses for us a great deal of good if we choose to profit by it, and cannot but raise higher those standards of excellence on the adequateness of which the prosperity of our business depends.

Mr. J. O. Wilson—

Mr. President, while no one else occupies the floor, I want to express my pleasure at hearing from Mr. Hubbell in the way we have this morning. If we should happen to drop in during a convention of allopathic physicians, and hear one of their number get up and discuss the good things that their homeopathic brethren have, it would be something gained. For many years the habit has been among us, as Stock insurance men, I think, to decry the methods of the Mutuals more or less, and I believe we ought to have the intelligence and the courage to look right before us at the facts, and see if these men have something we want. Twenty-five or thirty years ago I remember to have heard a gentleman, who had in those days a national reputation for eloquence, speaking to a religious gathering upon a theme which Mr. Hubbell's address strikingly recalls to my mind. Upon the platform was a candidate for Vice-President of the United States, the Hon. Theodore Frelinghuysen, and the Rev. Dr. Cuyler. A bright sprig of a young man from Richmond, Va., got up—those were the days when slavery was thought by a great many to be a divine institution and a means of grace, and when a great many methods were adopted to conciliate the North and South, and when some folks thought God was going to lose his hold on the universe if we didn't all get together and help keep things in shape. Well, this bright young man got up and proposed to tell the audience what good things the devil possessed (which I have been strikingly reminded of by the scope of Mr. Hubbell's paper this morning). Among other things, in accordance with the ideas of the day, he said the devil had all the good music, and by the time he was through everybody voted his address a great success, as I think we can Mr. Hubbell's this morning, because it was prepared in a spirit of inquiry. Now, if anybody has got anything better than we have, let us know what it is and what it will cost to get it.

I take this way of expressing my pleasure and tendering my thanks, and I am very glad the Association has had the pleasure of listening to something which is a little over the fence into our neighbor's garden, where we always like to know what is going on.

The President then announced as Committee for Nomination

of Board of Directors: Messrs. Frank Van Voorhis, E. A. Simonds, Charles E. Bliven, J. H. Caswell, Geo. W. Hayes, E. C. Lewis, William E. Page, M. H. N. Raymond and H. C. Alverson.

Mr. C. C. Hine—

Mr. Chairman, there seems to be a moment's time just now, and I would like to improve it by recognizing the very graceful and very attractive treatment of the Local Agent, received at the hands of Mr. Hubbell in the admirable paper which he has just read. Forty years or so ago I was a Local Agent, and I knew just about as much as brother Hubbell accuses him of knowing. I was as loyal and as virtuous as I knew how to be, and the probability is, just as Mr. Hubbell states it, that my very blemishes grew out of my virtues. We are accustomed to hear the Local Agent a good deal raked down in the conventions of the older members of the profession, and in the name of the Local Agent, and because I was a Local Agent, and have never forgotten the tribulations of those days when I tried faithfully to serve my company and myself, I desire to thank Mr. Hubbell for the graceful and attractive portraiture of the Local Agent that he has just delivered.

Mr. Frank Van Voorhis—

While there is a moment's lull, I will request the Committee on Nominations to meet in this room immediately at the close of this session.

Mr. McMillan—

I would like to suggest that, as it is very nearly 12 o'clock, we now adjourn until the hour appointed to-morrow morning.

The motion was seconded by several voices.

The President—

Gentlemen, the motion is made and seconded that we now adjourn. If we do so, I hope you will be present at 9:30 sharp in the morning.

The motion was then put and the meeting declared adjourned.



## SECOND DAY.

## MORNING SESSION.

OCTOBER 8, 9:30 o'clock.

The meeting was called to order by the President at 9:30 o'clock.

On motion of Mr. Howard Gray the reading of the minutes of the previous session was dispensed with.

The President—

I wish to call your attention, gentlemen, to the value of the gift of the widow of Mr. Jacob Peetrey. Mrs. Peetrey has presented to the Association the insurance library of her late husband, and it seems desirable that we express our appreciation in a suitable manner.

Mr. Charles Richardson—

I move that a committee be appointed to properly acknowledge the gift of Mrs. Peetrey.

Mr. George W. Hayes—

I second the motion.

The President then appointed the following committee: Chas. Richardson, W. F. Fox, L. J. Bonar.

The President then read the following telegram from the President of the Ætna Insurance Company:

HARTFORD, CONN., October 9, 1891.

*H. C. Eddy, President, Grand Pacific Hotel, Chicago, Ill.:*

Twenty years ago to-day the Ætna lost, by the burning of your city, nearly four million dollars. Its directors at once said unanimously that its good name should continue untarnished, and that its policies must always be kept at par. So far that standard of good faith has been maintained, and its future was never brighter than to-day. Congratulations, and beg of you as underwriters to take high grounds and be true to each other.

J. GOODNOW, *President.*

The regular order of business was then taken up.

The President—

Gentlemen, our first paper this morning will be from one who has

been a steady worker in the New England field for twenty-five years or more, a part of that time without any concert of action with others, but since the formation of the Exchange, under his able guidance as President, a vast improvement in the business has been observed. Some of the difficulties which we have to encounter have been met by this Association in New England, and we may be able to learn from Mr. U. C. Crosby, the President of the New England Insurance Exchange, something valuable regarding the necessity for concerted action looking to the improvement and inspection of risks. I have the pleasure, gentlemen, of introducing Mr. Crosby.

NECESSITY FOR CONCERTED ACTION IN IMPROVEMENT AND INSPECTION OF RISKS.

Mr. Crosby—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

When I received the invitation from your President to deliver an address on the subject of the "Necessity for Concerted Action in Improvement and Inspection of Risks," I expressed a doubt as to my ability to present the question in such a manner as to arrest and hold your attention, and the doubt has not been removed by coming personally in contact with the representatives of this Association.

I understand well the ability, push, and energy displayed throughout this great Northwest in every branch of business, insurance not excepted, and the man must be bold, indeed, who would stand before you with the expectation of presenting new thoughts and ideas on a subject previously considered by you. It is true, however, that the soldier working in the trenches, at the front, fighting hand to hand with the enemy, obtains an experience unknown to those who as yet have not been in the thick of the fight. As such do I come to you—a private in the ranks, a Special in the field, engaged in an encounter with conditions and influences working against the interests of the companies we have the honor of representing. I shall try to present the subject of improvement and inspection of risks in a practical way, and if my conclusions seem to you wild or visionary, I ask you to consider the different standpoints from which the question may have been presented and considered.

Permit me to refer to certain conditions in New England which have forced representatives of Stock companies to unite in the con-

sideration of automatic sprinkler protection, and to introduce a partial system of mutual inspection, with the hope that they may suggest to you ideas worthy of consideration. We have been subjected for many years to sharp competition on manufacturing risks from a class of Mutual companies. The first of this class was organized in 1835, and their number increased with their success, until, at the present time, twenty are doing a successful business. We have sustained a gradual loss of premiums from this source, and now a large proportion of our best manufacturing risks are insured by them. For more than twenty years I have been in the field, listened to, and in part shared the expressions of doubt as to the success of this class of companies, yet in spite of such doleful predictions they have continued to prosper. Up to four years ago our Stock companies predicted, grumbled, protested, and looked with a kind of stupefied wonder at a class of hazards which had proved unprofitable under our care and management, passing into the hands of Mutuels, and being written by them at a large reduction in cost. At that time we made no attempt to solve the problem of their success and our failure, nor did we inaugurate any system to meet their competition. I desire here to express my respect and admiration for the practical methods and good sense which in general have characterized this class of companies in New England as regards protection and inspection of their manufacturing risks.

To the shame and mortification of Stock underwriters must it be said that the Mutuels are pioneers in the consideration of these questions which are so vital to the interests of the insuring public and underwriters.

The fact that we were forced into their consideration in consequence of competition, and not by our own foresight and judgment, is certainly not agreeable or flattering, but we are dealing with facts, not theories, and it is the part of true wisdom to look the situation squarely in the face, and by a careful study into the mistakes and errors of the past, strengthen our position in the future.

About twelve years ago a representative of a now prominent sprinkler company, presented to certain representatives of Stock companies, more particularly in New York, the merits of that system of protection, and made most elaborate and exhaustive tests, and efforts were made to interest the leading underwriters in the system. This representative says: "I interviewed and tried to interest a large number of leading insurance men, and extended invitations to practical tests which we made, but there was not a single prominent insurance man

who took the trouble to witness our experiments; in fact, I do not remember of any insurance representative being present. Those who knew anything about it were really impressed with the value of the apparatus at that time. The fact was, there was a determined opposition to any plan for reduction in rate of insurance for the reason of making the property more safe. In fact, there was no disposition to investigate or consider any apparatus which had for its object protection of property. I could get no definite action whatever on the part of Stock underwriters, and those who were most pronounced in their opinion held that such an apparatus, if practically valuable as a means of preventing fire loss, would be antagonistic to the pecuniary interests of insurance companies."

The sprinkler companies were forced to turn, as they did, to the Mutuels for help and encouragement, and this system of protection was extensively introduced into manufacturing risks insured by them. It came to be generally understood that if a risk was protected by automatic sprinklers it would go into the Mutuels, and our agents would receive an inquiry from the assured on this subject with a cold shiver, and we, if questioned, were obliged to say no information could be given. It seems strange, but is nevertheless true, that this system was introduced and became a positive feature of protection for more than eight years, while Stock underwriters remained densely ignorant on the subject. We were forced by the constant and increasing loss of business to study into and determine the cause of this transfer.

The idea is often presented, and quite forcibly, that the Mutual feature has much to do with their success, but I feel sure that this is not a fact. I speak as one who has been placed in close contact with their method, and the feelings and prejudices of the insuring public. Their success is not due to the mutual plan, but to the practical methods adopted and put in operation by them. The mutual feature acts in many ways as an impediment to the proper protection of property. Where every policy-holder is a stockholder there must be more or less influence in consideration of risks, and inclination not to follow every risk up to an equal or approximate standard, and the result is a partial and imperfect equipment in quite a proportion of their risks. There are three special features, the cause of their success, pertinent to the subject under discussion, to which I desire to call your attention:

FIRST—Protection.

SECOND—Inspection.

**THIRD**—United or concerted action on question of mutual interests.

*First*—They made a study of the special features and hazards of the class which they insured, and introduced a system of protection.

We would write a class at an average rate of say 2 per cent., lose money; advance rate to 3 per cent., continue to lose money; then, in a spasm of fear and uncertainty (I am illustrating from facts), double the rate and advance to 6 per cent. The manufacturers, influenced by the heavy loss to which they were subjected by numerous fires, as well as the cost of insurance, in despair would turn to the Mutuels for assistance. They united with the assured in a study of the special hazards of their risks, largely eliminated same, introduced thorough system of protection, wrote the class at an average rate of about  $1\frac{1}{2}$  per cent., and then paid back a dividend of about 70 per cent. It is a fact that we lost money even at the high rates, and probably would have continued to do so under our system, and it is equally true that we would be glad to write the risks, as now protected, at less than 1 per cent.

*Second*—Inspection. This question is closely allied to, and must go hand in hand with protection. Whether they place one policy or twenty on a risk, the Mutuels have a mutual inspection. Examinations of each risk are made three or four times a year, and the inspector at each visit represents all the insurance on the property. Stock companies, in contrast, would place from twenty to one hundred policies on a risk. At numerous times, perhaps three or four in a week, but probably one hundred during the year, an inspector from the various companies would go through the factory, each taking the time of a superintendent or a clerk, to say nothing of loss of time to the workmen. Each inspector, before leaving, would feel obliged to offer some criticism or suggestion, and rarely would any two agree. Is it any wonder that the assured was disgusted, and said if he could obtain a system of insurance which would make proper inspection, he would have it? Very many risks have been lost to Stock companies simply on the question of inspection.

*Third*—United or concerted action on question of mutual interests. If a manufacturer desiring \$500,000 or more insurance, went to the Mutuels for same, a representative visited the plant, and, probably after consultation with the assured on various questions and studying the situation with him, at once named conditions for improvement and protection. The conditions may not always have been the best which could have been named, but they were all that the assured received, and he was informed of the rate at which the risk would be accepted

when improvements were made. In contrast, imagine the representative of a large manufactory going to Stock companies for same advice. Definite and specific information is desired in regard to the best and most approved construction of buildings, the special points of hazard in the business, the best form of sprinkler-head, proper arrangement and size of piping, the most practical and effective water supply, the best pump to be used, the size necessary to furnish sufficient quantity of water to supply the system, the best kind of gate and check-valves and proper location of same, location of stand-pipes and hydrants, quantity of hose and the best make, most approved electric clock or thermostat system; in fact, details are wanted necessary to make the risk the best possible in construction, in prevention of fire, and in protection. In how many of our offices could he go and obtain this information? He will, however, receive more or less advice. Suppose he follows it. The insurance is placed in a large number of companies, and then his trouble commences. Inspectors make their visits; nearly every one suggests some changes, until finally the assured, thoroughly disgusted, feels discouraged and uncertain as to whether his protection is the best or good for nothing. The above named conditions prevailed in New England up to about four years ago, but since then a very decided change has been brought about. I will not go into particulars, but state that we have given much study to the question, and to-day have a system, not perfect by any means, but one by which an agent, broker, or the assured can obtain definite and positive conditions for sprinkler equipment, and a rate named at the same time.

The New England Insurance Exchange, through the Factory Improvement Committee, took up the question of automatic sprinkler protection. The study and attention given to the question has resulted in bringing the agents and representatives of Stock companies in direct and personal contact with the manufacturers, and I can say that our *conditions for equipment are more thorough, sensible, and practical, and our risks better protected than the average of Mutual plants.* The underwriting of this class of improved property by our companies brought sharply to their attention the question of mutual inspection, for aside from the question of expense and uncertainty, they found that the assured would not submit to individual inspection by each company interested.

Many and many a time have we heard manufacturers say: We desire inspection, we wish to improve our risks and carry out suggestions offered by intelligent underwriters, but we want it at reasonable

times and by one who represents all of the insurance on our property. It should be specially noted that with all the trouble and cost, our inspection did not as a rule improve the risk. The result was the formation of the New England Bureau of United Inspection.

We first endeavored to form the bureau with all the companies in the Exchange interested, but we found old ideas and prejudices in the way, and the present membership consists of, and is limited to, fifty companies. Any risk carrying \$50,000 insurance, if sprinkled \$25,000, can be listed and receive inspection. Each risk is supposed to be inspected at least three times a year, and defects noted are followed by direct correspondence with the assured. Our agents like it because it causes them and their customers less trouble. The policy-holder approves of it because it is practical and business-like. Frequently the assured requests the agent or broker to place the entire line with companies in the bureau, so that they may not be troubled by outside inspection. There are many who believe the time is not far distant when all the companies doing business in New England will unite in a general system of inspection.

There is another class of risk which requires a special system of inspection—that of property in cities and villages. The methods of our companies in vogue at the present time are most crude and unsatisfactory. A Special Agent has tickets to examine a few risks in a certain city in which he is interested; perhaps he insures a tenant in a building. He does not inspect the surrounding property, because he is not directly interested. He may examine the whole building, and if he makes suggestions for improvements outside of his own policy-holder, they are rarely considered. Even advice to his party cannot be followed, as he may not re-visit the place for months, and in the meantime a fire may occur, destroying the property and all evidence on the question of improvement. The result is practically no improvement in the general condition of city risks. It seems strange that we should be willing to continue this branch of our work in this crude, primitive and unsatisfactory way. The inspection of this class should be arranged in a business-like way, with inspectors who would represent all the companies and who would examine all the property, and see that requests for improvement were carried out. Until such a system is arranged and put in operation, our companies will not have done their duty either to themselves or the insuring public.

We have in the little territory of New England over one hundred Special Agents. They represent one great system of insurance. They

each represent an intricate part of the whole. Their interests are so interwoven we cannot separate them if we would, yet these one hundred Specials are traveling all through their territory, running hither and thither, crossing and re-crossing, duplicating each other's work in one mad whirl of inspection which does not improve, and supervision which does not reduce hazards or the loss ratio, and this is done at great cost and expense, and must be paid for by the assured. If the energy and ability represented by this corps of field men were properly distributed and directed, grand results would be obtained.

What would you say of the manufacturer who would decline to introduce modern and improved machinery; who persisted in his attempt to compete with the old-fashioned spinning wheel; of the farmer who would not entertain new ideas, or accept improved implements. Yet we are working with machinery as crude as the old spinning wheel, stubbing about with a pointed stick for a plow, wondering at the discontent of our patrons and their acceptance of a more improved article.

I am a firm believer in the association of underwriters for mutual interests. Fair, equitable, and paying rates should be obtained, yet our efforts should not be mainly in the direction of rates, but in that of intelligent consideration of hazards, the improvement of risks, and the reduction of the loss ratio at present existing in this country. This cannot be brought about by separate and independent action on the part of each company, but only by concerted action, in which the assured must be an interested and active factor. *We must so adjust the work of our organizations that the public will see they are absolutely necessary to the business, and that they produce a reduction, not an advance, in the cost of insurance.*

It must be evident to you, as practical business men, that at least on the question of improvement of risks, the best means of protection, and inspection of business, we must abandon the old method of separate, individual, and distinct action by each company; that we must act together through one system. The underlying principles governing the laws of business and trade are sometimes slow in their operations, but irresistible. In this country the waste by fire is enormous. Since the close of the Civil War the losses by fire exceed in amount the entire war debt. The demand for a reduction in loss ratio and the cost of insurance cannot be misunderstood. *We must lead in the direction of public policy, or fall to the rear.* We represent great corporations. The manufacturing and mercantile business of this country,



directly and indirectly, depends upon us for its very life and existence. Wipe out of existence the various underwriting associations, destroy the medium of equalizing the great loss by fire, and you would destroy the means of giving credit, and there would be at once almost a suspension of business. We represent public institutions in which the public are directly interested. We must not overlook this point in the discussion of mutual interests.

A careful student of the situation in New England during the last twenty years must be convinced of one of two things: either there is some serious trouble in the methods and principles of conducting our business, or the plan of Stock insurance is a failure and against public policy. We cannot avoid the issue. *We must adopt the most approved methods, work directly for the interests of the assured, give the best security at the lowest cost, or eventually abandon the field. It is because I believe in the principles of Stock insurance, that the Mutual plan is no more necessary in underwriting than in manufacturing, that our companies are officered and supervised by men of great ability—men who would make success in any business or walk in life, who will look the question fairly in the face and accept the issue; it is because of this, because I believe that influences are at work which will solve this problem and prove the ability of Stock underwriters to transact the entire insurance business in this country for the real, positive interest of the public, at the lowest cost and the maximum of protection, that I venture to come before you and present this subject for your consideration..*

In New England we have in the past been blind to our true interests. We have plodded along in old, beaten paths, quite content to follow old traditions, indifferent to signs of danger appearing on every side, heedless to the distinct mutterings of discontent coming from every direction, until the constantly increasing loss of business forced us to definite and positive consideration of the problem presented. Then, when finally aroused from our lethargy, we found the vantage ground held by our competitors; that it was a hard, stern fight to hold our own, and that to recover lost ground we must encounter obstacles erected, not by our competitors, but by our own mismanagement and short-sighted policy. I understand that in the territory of this organization you now practically control the fire underwriting business, yet in your field the general methods of conducting business is bearing fruit, and discontent of your patrons is beginning to develop, and in the usual form. The great Northwest is expanding, towns and villages springing up like mushrooms. Your lines are extending in every

direction, and consequently you have an increasing business. Perhaps you hardly notice the slight encroachment upon your territory, but the time will shortly come, and cannot be far distant, unless you adopt and put into operation practical methods in line of public policy, when you will awake to the fact that opposing forces have been at work and hold the vantage of possession in the fight which will then be inevitable.

Will you repeat our blunders and mistakes, remaining blind to the demands and conditions of the public? The ability, acuteness, and energy of the underwriters represented in this Association are well known. You do not know the meaning of the word failure. Are you ready to admit you cannot offer the best insurance at lowest cost? If not, you must take up the practical question of the hour, not because you are forced to it by competition, but for a higher and better reason, because you value the importance and appreciate the dignity of the interests you represent—those of the great insuring public—and are determined to prove your ability to maintain the underwriting interests in this territory.

Other important questions enter into the consideration of the problem of competition and the conduct of our business, but I am confident they will receive proper adjustment when we will accept and put in practice the underlying principle, that on the question of improvement, protection, and inspection of risks we must act together as one body. Then, and not until then, will we be in position to receive the entire public confidence and patronage.

The Mutual Association of Underwriters, not combination (I do not like the word), is absolutely necessary to the best interests of the assured. In no other way can the best means of protection be introduced and fostered, and in no other way can a permanent reduction in cost of insurance be made and maintained. *Our associations, properly managed, are benefactors and necessary to the best interests of the public,* and if we will act together, take up the practical question presented, make that our business, we shall find that our patrons will understand and appreciate our work, and in time sweep from our statutes all valued-policy and non-combination enactments. The frequent and often successful effort at hostile legislation is in itself proof that there is some positive, underlying defect in the administration of our business. The Association I have the honor of addressing, directly and indirectly, must wield tremendous influence. In every question where the interest of underwriters and insuring public is involved, you should take a

prominent and leading position. I look to see the Fire Underwriters' Association of the Northwest take high and advanced ground in intelligent, practical consideration of the problem presented, that of necessity for concerted action in improvement and inspection of risks.

Mr. Crosby's paper was listened to with marked attention. It was followed by the Annual Address, which was delivered by Mr. Geo. F. Bissell, in introducing whom the President said :

Gentlemen, with the name of Mr. Geo. F. Bissell has long been connected the well-earned title, "the Nestor of our profession." It is with great pleasure I announce that our Annual Address will be delivered by one who is recognized by all underwriters as the man who has so satisfactorily guarded our deliberations and actions in the West for many years. I have the pleasure of introducing Mr. Bissell.

#### ANNUAL ADDRESS.

Mr. Bissell—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

The twentieth anniversary of the Chicago fire presents to those identified with fire underwriting a suggestive occasion for studying the vicissitudes of a department of finance, which, beginning in insignificant proportions, has expanded with the necessities of the country, until the indemnity promised by fire underwriting corporations rests as a protecting shield upon sixteen billions of the destructible wealth of the nation.

As offering a field of discussion, hoped to be in some measure in keeping with the popular requirements of the hour, my theme has been labelled

#### EVOLUTION.

A distinguished savant, being called not long since to address a company of thinkers, presented this as his topic: "What Message shall the Nineteenth Century transmit to the Twentieth?" Tracing rapidly the movements of nations and peoples in the march of civilization—the discoveries of science—the marvelous influence of inventions—the expanding power of wealth and commerce, and the bearing of the changes wrought by these and other factors upon the weal and destiny of coming generations, he was able to project into the future many instructive and highly interesting speculations.

Pursuing a parallel method of study, though in a different realm,

let us see what *we* can find in treading for a while the old, familiar paths, to interest, to stimulate thought and action, and to enlighten as to future duties.

We shall speak with substantial accuracy in saying that the growth of fire underwriting in the United States is bounded by the present century. As the result of what I have been permitted to observe and learn, there have been three distinct stages in its development, each marked by a well-defined period, and each following the preceding as the result either of natural or unnatural causes.

The first of these periods I assign to the first half of the century; the second, the middle of the century to the disasters of 1871 and 1872; and the *third*, the last two decades. No serious violence will be done to propriety if we speak of the first as the *wager* period in fire underwriting, for the reason that the element of chance entered largely into the theories and calculations of those engaged in the business. The causes are not hard to find.

In the first place, money capital was in scant supply, and chary of such enterprises. Its principal prizes were won in mercantile and maritime ventures. The country was sparsely populated. The intermingling of people favorable to the promotion of capitalistic enterprises was limited. Hence it was not easy to induce the few who had surplus capital, to risk it in a business depending so largely upon unknown elements for its success. The companies organized during almost this entire period had but a small proportion of subscribed capital paid. If stockholders escaped assessment on their stock notes, *luck* received the credit.

In the early part of this period, lotteries were prevalent in nearly all of the then organized States. Lottery vending and insurance, in the minds of many, represented corresponding business elements. A company, at one time famous for the magnitude of its business, and promising to reach comparative supremacy, had for its organizer and first president a lottery proprietor. When the State placed the seal of inhibition upon his calling he resolved to utilize his experience by embarking in what was counted a kindred line of business.

Modes of travel and rates of postage were barriers in the path of enterprise; hence the business expanded slowly. Under a system in which the ascertained cost of the various hazards assumed was a silent factor, rates of premium were curiously adjusted. A flouring mill and dwelling house not infrequently bore the same rate; sometimes the mill had the advantage. In those days, *capital* related to the availa-

bility of stock notes. *Surplus* meant any balance remaining in bank after the last maturing claim was paid. *Resources* related to the availability of discounts for future calls, and *reserve* was an unmeaning term in insurance parlance.

Let me not be understood, however, as underestimating the intelligence or ability of those laying foundations under many difficulties. They were blazing a new track across the field of finance. They were feeling their way without any of the charts or guides open to the present generation of underwriters.

If a classification table, intended to determine the relative cost of different classes of hazards, existed in the period I am considering, I have never been able to find any trace of it. In the absence of accumulated reserves, the companies of those days were in poor condition to meet extraordinary losses, consequently the large fires of the period were followed by heavy records of bankruptcy. The wonder, therefore, is, that the failures and mistakes incident to such conditions should not bring such disrepute to the business as to discourage wholly the employment of capital and brains in a calling so uncertain.

Near the end of the period we are considering, marked changes began to appear. The canal-boat and stage-coach were yielding to the locomotive. The great caravan of State-builders, moving westward, was "marching on," and daily growing in magnitude. New cities were springing up in the rising empires of the West. Rates of postage, from being ten to twenty-five cents per half ounce, were reduced to five. Companies that had struggled for years to maintain an existence, under better experiences and conditions, began to accumulate and distribute profits. The possibilities of the agency system began to dawn upon those who studied the matter.

The discoveries of gold in California operated to stimulate enterprises in all departments of business, and thus, at about the time I have fixed as the beginning of the second period, by a natural evolution, the business passed under new conditions.

The period following was, in a wide sense, a *constructive* one, marked by rapid organizing and many changes. Means are wanting to determine with accuracy the amount of actual paid capital employed in the business in the year 1850, but it probably did not exceed five and one-half millions.

I am not taking into account capital represented by stockholders' notes, or the assets of Mutual companies. Accustomed, as we are, to dealing with millions, it may excite surprise to consider that in all this

land there were at this time but four companies in existence, having each a fully paid capital of three hundred thousand dollars or more, devoted to the business of fire underwriting.

In the year named, eight companies were organized, with an aggregate capital of one million five hundred thousand dollars. In 1852, 1853, and 1854 some of the ablest companies now in the field commenced their organized existence. Of the one hundred and fifty companies under the supervision of the Insurance Department of New York in 1866, one hundred and four had been organized since the year 1850—seventy-eight in the previous twelve years; and the organization of companies elsewhere, not reporting to the New York Department, went on with equal rapidity. It will be obvious that such a rapid multiplication of these institutions was not required, nor was it possible to equip them with properly qualified managers.

The methods of business following as the result, yielded a harvest of disappointments. Rates of premium were wildly irregular. In some quarters ability of a high order was manifest; in others, recklessness and incompetency. Out of one hundred and forty-seven companies filing statements in New York in 1867, forty-three came up to the Department with capitals impaired. The impairments in the case of twenty-six of them ranged from 10 per cent. to 80 per cent., while the entire surplus reserves of all were but a little over four millions of dollars.

Up to this time co-operative action among either local or managing underwriters had made but slight progress. So strongly did the necessity of every interest enforce its importance that during the following four years, through the very general movement among companies and local underwriters for mutual co-operation, the *morale* of the business underwent a marked improvement. So useful was this co-operative movement, that notwithstanding there was indifference and but partial acquiescence on the part of the profession as a whole in the measures adopted, the surplus reserves of the companies reporting to departments four years later showed a gain of more than sixteen millions of dollars, and it is an instructive fact that some of the institutions that weathered the storm of 1871 must have stood face to face with bankruptcy but for the reserves accumulated in these four years.

The period under consideration marks the beginning of State supervision of insurance companies. Massachusetts led off in 1854. Other States rapidly followed, until, in 1871, nearly every State in the Union had some sort of a statute for regulating the business.

The period was not wanting in experimental systems and methods

long since discarded. Perhaps the most notable was profit-sharing, or participation, so-called. The system was worked with great industry, and was not wanting in popularity. In 1860, thirteen companies having an aggregate paid capital of three millions eight hundred thousand dollars, were pushing the system with vigor. But two of them are in existence to-day, and they have long since abandoned the system.

It was a taking fair-weather plan, but when dire disasters came the surplus resources needed to meet them had either been frittered away or converted into a liability in the form of unpaid scrip, which operated as an added millstone to send to more certain bankruptcy companies wedded to the system. As to those who had participated in the *profits*, if they ever overcame their shrinking modesty by coming forward in the hour of calamity to offer to "participate" in *losses*, the fact has never been recorded.

Another plan of profit-sharing, on which large expectations were built, but which brought grief to the sharers, was co-operative stock-holding interests in the different towns and cities tributary to a common center. Under pressure of disaster the system fell in pieces and passed out of sight in a storm of litigation.

During this period we note the first entrance of foreign capital as a factor in the business. In 1860, two foreign companies were reporting to the different departments. In 1870, the number had increased to six.

At the close of the period there reported to the Insurance Department of New York one hundred and sixty-seven American companies, with an aggregate capital of fifty-two million seven hundred thousand dollars, and six foreign companies, with American assets of five million nine hundred thousand dollars, showing a marvelous development during the previous twenty-one years.

The period we are next to consider was ushered in by one of those cyclonic events resembling more nearly some of the great convulsions of nature, which, in past ages, have changed the face of continents, than any normal change. The phenomenal fire in London, in 1566, is estimated to have destroyed values to the amount of fifty millions of dollars. In New York, in 1835, eighteen millions were engulfed. In Portland, in 1866, ten millions. But in the short space of twenty-four hours in Chicago, in 1871, eighteen thousand buildings and one hundred and sixty-five millions of values were obliterated, leaving of what was a great commercial city only its outer rim. Sixty-eight companies, with aggregate resources of twenty-five million dollars, were sent

into bankruptcy, and many others brought to the verge of ruin. The fire risks in the burned district exceeded one hundred millions, and the amount contributed by insurance companies approximated closely to sixty million dollars. That such a disaster should be possible in the face of provisions for suppressing fires, supposed to be invincible, and that in a little more than twelve months it should be followed by a similar calamity hardly less appalling, and that, too, in one of the most thoroughly and compactly built and solid cities of the land, sweeping eighty millions more from existence, and calling upon underwriters for an added contribution of nearly forty million dollars, changed all previous conceptions of underwriters with respect to the contingent hazards of the business.

The first inquiries suggested by these stupendous disasters were: How can these terrible ravages upon capital be repaired? What loading of rates upon the business of our large cities shall be equal to such possibilities? How can business in these cities be conducted so that our obligations to the public, in case they should be repeated, can be discharged, and bankruptcy of the institutions we represent be averted? Not to give heed to lessons so powerfully enforced would seem to furnish evidence of inexcusable recklessness. Yet we may express the fear, in passing, that in this and other large cities in the land to-day, institutions are exposing to similar possible disasters an aggregate of risks far exceeding any available ability to meet. As for making suitable provision in the shape of needed rates for such unusual emergencies, it must be confessed that the lessons so enforced have long since been forgotten.

The necessity for accumulating proper surplus reserves against such extraordinary occurrences, was one of the supreme duties taught by these disasters. No underwriter who does not keep this duty ever in mind can *claim* to make an intelligent use of the results of experience.

Again, in the perils common to all companies, disclosed by these calamities, and the necessity for united preparation to meet them, there was seen to be a solidarity which the dictates both of common sense and the highest intelligence demanded should be recognized. From this consideration sprung those great co-operative measures which have constituted such a marked feature of the present period. The reorganization of the National Board, and associated action in harmony therewith in different parts of the country, resulted in placing the profession of fire underwriting upon a plane of commanding influence, and the business on a basis of profit such as it never before had oc-



cupied. And though during a part of this period, owing, as I conceive, to narrow jealousies and an imperfect apprehension of duties due to each other and the public, there have been times when managers of companies have allowed themselves to drift away from the proper line of action in this particular, on the *whole* the co-operative tendency has been growing steadily stronger, until to-day, if we except territory by no means unimportant and yet geographically small, we find the business of the entire country largely governed by this principle.

Let us here contend, that in a business so fraught with many and uncertain dangers, the actual cost of which is so difficult of determination, and upon which the financial well-being of millions depends, whoever, whether an individual underwriter, a community, or State, would stand athwart of, or refuse to give countenance to legitimate co-operation and associated efforts, aimed at conserving and equalizing the benefits and burdens of the system, is blindly resisting what a wide experience has shown to be conducive to the highest conditions of solvency and equal justice to all. The opinion is expressed that the time is not remote when announced hostility to such movements will be held to be incompatible with fitness to hold either a local, special or managerial position in the profession.

I need not burden you with statistics to show how vastly the conditions of the business have improved under influences to which I have referred during the period I am considering. The simple statement that the one hundred and fifty-three Stock companies reporting to the New York Department January 1st, 1891, exhibited surplus reserves amounting in round figures to sixty millions, and total assets of two hundred and twenty-two million five hundred thousand dollars, will explain the situation. It is safe to say, therefore, that should disasters equaling either the Chicago or Boston fires again occur in any of the great cities of the land—a possibility never to be lost sight of—the strength and resources in readiness to meet them will be such as never before have been provided, and such as the indemnity companies of no other country can provide. We may say, therefore, that the dear-bought lessons of the past have not been wholly lost. Never before were the underwriting institutions of the country on such a basis of impregnability as at the beginning of the year 1891. It ought also to be added that immense progress has been made during this period in the inspection, classification and improvement of risks; in the proper adjustment and classification of rates of premium; in the use of juster forms of contracts and improved forms of policies; in

efforts to check and punish the crimes of the incendiary; in the encouragement of improved appliances for suppressing fires; and in the cultivation of closer relations of fellowship among underwriters.

We have thus traced the business from a small beginning, under crude and imperfect conditions, to a period when rapidity of extension at the expense of prudence brought inevitable penalties; thence into other conditions where, chastened by great trials and ripened under valuable experiences, we find it existing to-day with vast capacities, and under a highly organized system. Every safeguard a long and often painful experience can suggest; every appliance which educated skill and ingenuity can invent; and all it has been possible to secure, as the results of associated action, has been placed under contribution, until it would seem that in all that pertains to the machinery and *technique* of the business, we have reached the acme of completeness.

What shall be the next step in the process of development? Shall the present complete system yield to conditions still different, more complex and advanced? What changes may we expect are before us as a result of all that has preceded, and the ever-changing course of events? Let us wander from the main track of our theme for a little while, to glance at conditions in other departments of human enterprise. Possibly some collateral lights may thereby be thrown upon the questions we have raised.

It is but a few decades since the traveler, passing from the metropolis of the nation to the Mississippi, found it necessary to place under contribution the services of ten or twelve different transportation corporations, five of them in a single State, with all the cumbersome inconveniences incident to such conditions. In the evolution of transportation systems that followed, these conditions have long since disappeared. As a result, boards of directors, presidents, officers and others filling positions of trust and emolument in conducting these various enterprises, were relegated to other affairs. They, no doubt, felt it a hardship that the march of events drove them to other relations or occupations; but what is the result in a larger sense? It may be briefly epitomized thus: The traveler now making the same journey, employs the services of a single line only, or at most two, and whereas, in the former case his journey occupied five or six days, at a cost of nearly one hundred dollars, it is now made in thirty hours at one-third of the expense; and a barrel of flour then requiring thirty days to move from the Mississippi to the seaboard, at a cost of three dollars and a half,

now passes over the same ground in four days at a cost of seventy-five cents!

The rambling structure of composite architecture and material, with its surroundings of cooperage, kettles, bristles and assorted smells, known as the typical pork-houses of former days, with its two or three months of winter work, is a familiar object in the memory of underwriters. No doubt, in the course of its disappearance, some of you have not infrequently been called to perform a coroner's duty over its remains, and have said "peace to its *ashes*," as your draft was made for a total loss.

Within a few minutes' ride of where we are now gathered, the modern representative of this former prototype may be seen. Not one, but many structures compose the gigantic plant. One hundred and forty acres of floors barely furnish working space for the seven thousand pairs of brawny arms that prepare for the markets of the world animal products of the value of fifty million dollars annually. In a single day sometimes, under one roof, as many as ten thousand swinish sacrifices are offered upon the altar of commerce, over which the lament of the patriot Greek could in truth be spoken, "*grease*, but *living grease*, no more." In the vast capacity and far-reaching opportunities of this one great enterprise you discover that the place of a hundred of the earlier type has been more than filled. The localities where the latter might have otherwise flourished have lost in the change many advantages; but what is gained?

The monopoly of the markets of the world has been secured to our agriculturists for an article of animal food, whose value, by the processes thus introduced, has been enhanced 20 per cent., the annual measure of which value is two hundred and fifty millions of dollars.

What have inventive skill and capital not done that you and I and all the world may have, in its most perfect form, that from which the staff of life is made! The typical modern flouring mill is a wonder. The earth seems to tremble as you approach it. As you enter, you cannot resist the impression that you are in the presence of some greedy monster. And so you are; for as you pass floor above floor you learn that eight hundred tons of wheat are poured in a single day into his tireless jaws, but which, thanks to the ingenuity of man, he disgorges in forms of unrivaled purity and whiteness. You further learn that in order to keep his voracious appetite appeased, reservoirs for gathering wheat have been planted for five hundred miles across the wheat fields of the continent.

In this triumph of commercial energy, you may read the evolution of the flouring mill. Three score or more of the dust-covered specimens of earlier days have gone down that this modern leviathan might arise. As do not a few of these old-timers, the iron, no doubt, has entered your souls as you found it necessary to assist in the last rites. If you had been required to provide an epitaph, it would have read, "out of a job." What has been gained in the place of the losses sustained by local communities from which the mills of earlier days have disappeared? There has been saved in the quantity of wheat required to produce a barrel of flour, 13 per cent.; and the added value in the matter of quality growing out of modern processes, forms a still larger percentage. Apply these figures to the five hundred millions of bushels of wheat our agriculturists have produced this year (1891), and you will perceive how vast has been the gain to mankind.

Once more: Within a stone's throw of where we are sitting you may see one of the monuments modern commercial enterprise has reared. Eleven hundred feet of granite street frontage mark its dimensions. Five hundred thousand square feet of floor space are devoted to the traffic of its thirty-four departments, and fifteen hundred trained workers, moving with the precision of an army, execute the vast details of the great establishment. The marts of the world are represented in the productions it distributes.

You, no doubt, may say, while admiring the splendid organizing ability that has made such a marvel of mercantile success possible, that it is a cruel fate that decrees that fifty houses of the former time shall find no place to exist, in order that this one colossal enterprise may thrive. But if you discover that such a house becomes a regulating force by which millions of consumers are saved 10 to 15 per cent. upon the commodities that enter largely into the comforts and necessities of daily life, you may find in the fact large compensating equivalents.

What lessons shall we draw from transformations constantly going on in every department of enterprise, of which I have furnished you a few familiar examples only? Do they not teach us that these practical days abhor misapplied forces? That where two or ten are engaged in tasks that one can perform with greater economy of expenditure, the two or ten will sooner or later be asked to step aside? That waste means defeat? That concentration and consolidation do not of necessity imply monopoly, but *may* mean larger benefits to mankind? I think you have already perceived the relevancy of these typical illustrations to

the discussion in hand, and are asking: "Can this evolution of methods, pertaining to all other departments of finance and trade, continue and leave our profession and its business features unchanged?" Unless I mistake the bearing of such movements, they portend marked changes to us in the not remote future.

From information furnished by the eleventh census, it would appear that in 1890 there were, of all sorts, over seventeen hundred insurance organizations transacting business in this country. Eliminating county and township companies and associations, and corporations following other branches of underwriting, there are left three hundred and sixty-five American and foreign joint Stock, and one hundred and ninety Mutual fire insurance companies that may be said to be actively engaged in fire underwriting, with premium incomes ranging from five thousand dollars to nearly five millions each per annum, and that 80 per cent. of the entire business is transacted by less than one hundred and thirty companies. Are the interests of the public and of capital best promoted by this excessive duplication of machinery? Under the constantly changing conditions of the country, and the intenser forms of competition as a resulting consequence, will it continue to be tolerated?

What is the fact that during the period not much exceeding twelve years, with no great disasters affecting the solvency of underwriting institutions, one hundred and sixty joint Stock fire insurance companies, with an aggregate capital of thirty-two millions of dollars and assets approximating forty-five millions, have been retired, either by re-insuring, by liquidation, or by failure, but evidence of prodigious waste, and a prophecy that this thinning process must continue until the most economical adjustment possible is reached?

Let it not be said that I am urging a plea in favor of the strong as against the weak, or an argument for the survival of the fittest; I am simply recording the operations of a law as wide and uniform in its sweep, and as resistless, too, as the tide. In the light of it, may not institutions that are struggling with sickly incomes and troublesome expense ratios profitably raise the inquiry, whether consolidation is not more attractive as an alternative term than *obliteration*. The fact that in two decades the number of joint Stock companies in a single State has declined from one hundred and five to forty-nine, furnishes no cause for regret; but with the vast increase in values during this period needing protection, it is to be regretted that the eleven millions of capital represented by these retired institutions could not have been

retained to the business, and under better economic conditions, have found profitable employment.

One of the marked changes, then, to be enforced by the conditions of the future, I think, must consist in a reduction in number and an augmentation in the resources of the institutions that are to conduct the great fire underwriting interests of this country.

Can amelioration in the future fire loss be expected? Undoubtedly not. Experience-tables will show that modern progress, so-called, and modern avocations, have resulted in increasing the relative proportion of loss claims, as compared with the number of risks. If modern skill in suppressing fires shall prevent the average loss by each from keeping pace with the increase in number, it will do well.

It is now time to inquire what practical value has such a discussion for an occasion like this to those before me, a majority of whom doubtless are not held responsible for the management of capital except in a subordinate sense? Much, in every way. If my observation during a third of a century is any guide, the next twenty-five years will witness great changes in the *personnel* of the profession; not a few who have been active in official and managerial ranks are approaching the season of "the sere and yellow leaf." The burdens they have borne will ere long be laid aside, and younger and more vigorous hands will take them up. There are abundant prizes to be won in the future by the younger men of to-day. I am addressing a company of gentlemen, many of whom are in the flower and vigor of manhood, filled, I doubt not, with the laudable ambition to reach the highest attainable positions in the profession.

A student in philology has traced for us back to its original root the etymology of the word "king." He shows us that in the earlier forms of our language "king" was "can." It was the "can"-man, the man whose prowess gave him supremacy; he was the "caning"-man, or "king." In the coming days, those who will occupy the high places in our profession will be the men who "can." Let us therefore consider

#### THE UNDERWRITER OF THE FUTURE.

Who and what sort of man will he be who climbs the ladder of success? His name we may not impart, but his qualities we may describe. I think in his case the rule applicable to poets will be reversed. He will be *made*, not *born*; or, perhaps, it were more prudent to say *mostly* made. He will be trained in his profession, commencing near the lower round of the ladder. In it he will acquire

the habit of wide observation, and thorough discipline and knowledge. His grasp will extend beyond the mere *technique* of the business and take in conditions of finance and trade; the study of men and movements, and their relations to the general enterprise in hand. With quick perceptions, he will combine a spirit of aggressive enterprise and persevering energy. He must possess fertile resources and virility of character; for with our frontiers obliterated, the country settling down to fixed and stable conditions, no new lands to explore, capital hungry for employment, and men eager for place, he must cope with a competition not hitherto met and growing intenser each day. He will be a man of *details*, never losing sight of the small things in the business. His knowledge of geography will be minute. His bad lands will be thoroughly charted; his debatable grounds carefully surveyed, and his fruitful fields assiduously cultivated. His attitude to competitors will be that of honorable co-operation in associated efforts, suffering neither selfish prejudices nor aggrandizing purposes to isolate his influence in measures for the general good. He will be a man of *economy*; for in the more careful ways the future will enforce, neither capital nor the public will tolerate an expense ratio that many consider legitimate to-day. He will be no specialist—working along narrow lines, expecting to avoid the experiences inseparable from existing conditions, or the discoverer of remedies for the cure of all difficulties the profession encounters; for the business which he is to direct must be organized on a broad and comprehensive basis. The stability of mercantile and manufacturing credit must, in a large sense, always rest with the underwriter. Hence his usefulness must be available to all, whether in the cities or the villages and hamlets of our land, providing they come under proper conditions. He will neither cling to or discard the *old* because it is old, nor chase after or reject the new because it is *new*. Of Napoleonic achievements he will have no dreams, for he will bear in mind that the world has furnished but one Napoleon, and his was Waterloo; and that *alleged* Napoleons in our own and other walks exhibit a tendency to a like fate. Rather will he, by patient and conscientious devotion to duty, and by subsidizing all proper means to proper ends, strive to reach high position through high merit. He will be an even and well balanced man, not carried away by unusual success nor cast down by unusual reverses, for success and reverses will never cease to follow each other in the life of the underwriter. He will *earnestly* desire reputation, not through trumpet-blow-

ing, but *results*. Above all, probity and moral rectitude will hold no mean place in the fiber of his character.

Do these speculations, in your estimation, present demands unreasonably exacting? If so, I pray you let it not be forgotten that the underwriter of the future must be of large equipment, because he will have to deal with large affairs. If the estimates of statisticians shall prove reliable, the wealth of the nation shall be shown by the eleventh census to reach, if it does not exceed, the almost inconceivable sum of seventy billions. It is safe to assume that three-sevenths of this, or thirty billions, exist in forms needing the protection of the underwriter, and that this great aggregate must continue to grow year by year. I cannot doubt there are companies represented on this floor to-day that, before the end of twenty-five years, will find themselves burdened with the vast responsibility incident to caring for a thousand millions of risks. How to preside over an interest so great, and extract from it, where the margin is almost infinitesimal, some moderate underwriting profit; how to meet the requirements growing out of the concentration of enormous values in our great cities, without jeopardizing the capital with whose safety he is entrusted; how to meet the increasing difficulties resulting from the diverse laws and sometimes oppressive acts of forty-four or more States; how to meet the ever-enlarging demands of these States in the shape of multiplied forms of taxes, and the support of expensive departments in each of them; how to adjust the rate-average, so that the public may bear only a just burden, while at the same time solvency may be maintained; how to give shape and direction to underwriting affairs, so that the frightful fire waste shall be mitigated:—these are problems the coming underwriter must *constantly* grapple with.

Again, let it be remembered that as the years accumulate, conditions of success in all departments of business become more difficult, and you will conclude that *no attainable* qualifications for meeting the requirements of the future can be too ample.

I am glad to believe that there are those before me, and other members of the profession not within the sound of my voice, that will rise to these requirements, and who, in coming days, will occupy places where ability to meet great responsibilities worthily will be conspicuous. If I am not mistaken in this belief, I shall venture the opinion that those to whom these honors will come, appreciate the training needed, and are bending every effort to rise in the ranks. Entrusted possibly with duties not as burdensome, but not less important than



are borne by those who are required to meet managerial responsibilities, who, nevertheless, are meeting with strictest fidelity every task and striving with assiduous industry to make themselves indispensable to their employers. Their labors take them far away, perhaps, from the eye of their superiors, yet the ever-present word *duty* is a talisman whose voice is never unheeded, no matter how strong the temptation to seek personal ease that invites them from duty's path. Their characters for modest worth, proficiency and usefulness are not being built unnoticed. In days that are to come, the voice of appreciation and command will go forth, saying, "Come up higher."

Major Bliven—

When underwriters of the experience and reputation of Mr. Geo. F. Bissell—so long the Manager of the Western (and largest) Department of the Hartford Insurance Company, who has made the name of the man and the company household words—consent to deliver the Annual Address of this Association, it is meet and proper that even more than formal recognition of such service be made, and which words at this time fail to express. While the records of this Association exhibit contributions from eminent underwriters, none have been more interesting than that to which we have just listened, and which will long exist as a landmark in the history of fire underwriting; therefore

*Resolved*, That our heartiest personal, individual, as well as our associate thanks are hereby tendered to Mr. Bissell for his timely and thoughtful address to the Association on this occasion.

*Resolved*, That one thousand copies of the address be printed for distribution.

The motion was unanimously carried.

The President—

When Chicago's citizens decided upon the location of the World's Fair, it became necessary, of course, to announce that decision to other competing cities and their representatives in an unmistakable manner. To accomplish this, the citizens of Chicago selected from their number a few who carried with them the confidence and esteem of their neighbors, and I am told that the eloquent argument used by one of this small number was so fascinating that the decision of Chicago was gracefully accepted by representatives of New York, Washington and St. Louis. This gentleman, the Hon. Thomas B. Bryan, has kindly consented to speak to us to-day of something which will interest us and show us how we may use our influence, in our daily travels, for the promotion of this grand enterprise.

I have the honor of introducing Mr. Thomas B. Bryan, who will address us on the subject of "Fire Underwriters and the World's Fair."

ADDRESS: FIRE UNDERWRITERS AND THE  
WORLD'S FAIR.

Mr. Bryan—

MR. CHAIRMAN AND GENTLEMEN OF THE FIRE UNDERWRITERS  
ASSOCIATION OF THE NORTHWEST:

The concluding remarks of the gentleman who preceded me, that noble representative of your fraternity, caught my ear when he was describing the ladder that men must climb to reach the heights of success, and that reference to a ladder recalled an experience that I once had in Switzerland, in a little village known to few tourists, but which is worthy of being visited by all, the French title of which means "The Ladders."

At the height this hamlet occupies, approached only by a precipitous ascent of ladders, hundreds and hundreds and yet hundreds of feet before it can be reached, I remember once seeing a stalwart man throw a calf over his shoulder and mount that ladder with a rapidity and a grace only equaled by the grace and nimbleness with which Mr. Bissell ascended the ladder of his statistics. When, on a subsequent day, I met the man who made the ascent, I asked him if at that great height he did not become dizzy. "Oh, no," he said; "you down below there, who look up at us, grow dizzy; we never." And as my friend Bissell mounted the ladder of those statistics of three and thirty years, mounting up into the thousands and the millions, I began to wonder whether he would be dizzy, or I, in looking up at those imposing numbers. True as Gospel was his assertion that the man who climbs the ladder of success in this life needs plant his foot first upon the lower round of probity, and adhere to that inflexibly if he would reach the topmost round. And when he gave reminiscences of this great city in times past, reminding us of its youth, of its infantile character, I remembered away back—I was going to say before the flood, but it certainly was before the fire—in '52, when an old Virginian, and a dear friend of mine who was visiting me, came rushing into my house (he had never been out of Virginia before except on short trips) and said he: "I'll give it up!" "Well, what is the matter?" Excitement and pleasure were depicted in every lineament of his face. "Why," said he, "really I saw a house going down the street, being moved rapidly, and

I heard a noise and ran out to see what it was, and absolutely a lady was playing on the piano, 'Home, Sweet Home!'"

Mr. Chairman and gentlemen of the Northwestern Fire Underwriters' Association, if there were insurance against accidents of failure where speakers discuss subjects unfamiliar to them, I should promptly apply, in this instance, for a policy on an extra-hazardous risk. Indeed, my reluctance to address a convention, instead of banquet, as first understood, was only overcome by the assurance that the first words of the topic assigned me could be treated as a mere preface to the rest—as insurance would be elaborately and ably discussed by veterans in the profession, whilst the World's Fair should constitute the burden of my song.

As to insurance in general, Lord Bacon sounded the key-note in a speech as early as 1558, when he asked: "Doth not the wise merchant, in every adventure of danger, give part to have the rest assured?"

Of life or accident insurance, but in a different form from that now obtaining, I recall this early instance: In Moryson's *Itinerary*, in 1617, he tells of a remarkable bargain his brother entered into when embarking on a journey to Jerusalem and Constantinople, paying four hundred pounds for the right to demand twelve hundred pounds *in case of his safe return*. And that, mark you, was centuries before civilization had so far advanced as to confer upon us the high privilege of railroad mangling and burning alive.

Apropos to modern progress, the wife of an eminent eastern professor told me, not long since, that she was half tempted to take out a life policy on her infant daughter. The professor's love of the study of entomology had developed to such a degree of intensity that the walls of his rooms were decorated with beetles and all manner of winged things. The young mother woke up in the night feeling about her in bed to be sure that her baby was not pinned, like a butterfly, to the wall.

In how lurid a glare does memory recall the year 1871, with its late spring and early autumn of fire! Hardly had we ceased to shudder at the terrific loss of life and of treasure—eight hundred millions of francs—from the incendiary torch at the Commune of Paris, when lo! Chicago was visited with a yet fiercer and more devastating fire.

It seemed as though both the heavens and the earth were ablaze. In those two cities alone—a conflagration in each greater than ever before in the world's history—the holocaust was over three hundred and fifty millions of dollars.

Your annual meeting extends over the anniversary of Chicago's great fire. Thousands of us who lost our all in that master calamity of the age have learned to appreciate insurance, and thousands who were saved by the forty millions of dollars the insurance companies then distributed here, may well share in that appreciation. An expert and accomplished insurance man of Chicago informs me that nowhere else on the globe is insurance so generally resorted to, and nowhere else are the insured so carefully critical and exacting as to the character and responsibility of companies.

Perhaps the most important of all the educational features of the coming Exposition will be its world's congresses. The exceedingly able management of that department by its President, Hon. C. C. Bonney, has already produced fruits of the most gratifying character. Acceptances received insure attendance here in 1893 of hosts of the most eminent men of the world in the leading avenues of human activity and endeavor. Surely no argument is needed to convince this highly intelligent audience of the advantages that would accrue to the interest of underwriters from their active participation in such congresses. The benefits arising obviously from even these annual conventions, must, of necessity, be vastly increased by the mingling together of insurance men from all quarters of the globe, and the proportionally greater interchange of views on all the leading topics involved in their widely ramified pursuits.

For reasons already alluded to, and for others that present themselves without further suggestion, there would seem to be a peculiar fitness in Chicago being the place of such Fire Underwriters' congresses, and also in the Northwestern Association's undertaking their assembling and practical direction.

It were, indeed, needless to attempt to indicate specifically to men of your large experience in affairs how best to awaken attention to the projected congresses, to the importance of prompt recognition of this unprecedented opportunity, with its requirements of hospitality, and also to the desirableness of a display on a grand scale of fire apparatus work, and of whatever else in connection with insurance may be practically entertaining and instructive.

Is there not room for improvement in the art of rendering fabrics and building materials incombustible, as well as of the methods of extinguishing fires?

And now that stories are piled upon stories towering heavenward,

should not every commercial building and every engine house be provided with an ample supply of life-saving apparatus?

Might not some canvas or other conduit of large diameter be adopted, and rendered absolutely incombustible, to be forced up to the required height, and secured in an oblique direction below, with inside loops, knotted cord, or other contrivance to prevent too rapid descent? May I venture to suggest that prizes be offered for improved fire-escapes? Surely our proverbial inventive ingenuity ought to be equal to practically responding to the appeals that too often harrow our souls from men and women at lofty windows pleading for some other alternative to relentless flames than to leap to death.

The incalculable value of insurance as a pre-eminent factor in commercial affairs, and more particularly in all calculations connected with the Exposition, may be concisely indicated in the simple statement that a World's Fair would be an impossibility without it. Insurance is more important far than even the necessary vigilance of custodians and police protection of exhibits as a whole, and yet we remember that one exhibit in the Crystal Palace that could be covered by a wine glass, justified its constant guarding day and night by a grenadier with no other charge.

And now, having briefly disposed of the insurance preface, I am expected to say something of the World's Fair in the abstract, which shall also be done with such brevity as to be in striking contrast with the humorist's oration that "took four hours to pass a given point."

To-day, and about this hour, are embarking for Europe the envoys from England, Germany and Denmark, who recently visited Chicago in the Exposition interests of their respective countries. If there is any virtue in drinking often to one's health those commissioners must return to their homes in the best possible bodily plight. They must also enjoy the pleasing consciousness of having contributed in no slight degree to our encouragement in prosecuting the arduous duties of the hour. The Exposition management diligently profited by the presence and counsel of their distinguished guests, for builders of so vast an enterprise as this Exposition wisely seek foundation stones in the quarries of experience. Plunging his horse into an unknown stream with nought to guide him, many a rider has found to be dangerous fording.

So vast an undertaking as ours could scarcely fail to keel a little in the launching; but is now under full headway, and with prospering winds. It behooves us to observe all the vigilance of an insurance

pilot for rocks, and shoals, and ice-bergs. The Columbian Exposition is, in one respect, at least, like the life of man, in being full of problems, which must await its close for their solution.

One thing, however, is known in advance. We need the hearty and active co-operation of foreign nations. A World's Fair confined to the exhibits of but one continent would be as obviously one-sided and defective as an anchor with but one fluke. Hence we hail those commissioners as our sponsors in other climes and among their own people, as we hail you also as our sponsors among the people of your respective States. You and they can safely say that Chicago has not only fulfilled, but has greatly exceeded her promises, in having subscribed, and in now rapidly paying, more than the maximum sum pledged by her, which was ten millions of dollars—an incomparably vaster contribution than was ever before made by any city to any exposition. But just at present there is, in certain quarters, a hue and cry that "Chicago is not living up to her engagements, and is appealing to Congress for aid to which she is not entitled." Allow me to assure you that precisely the contrary is the case, as I happen to know exactly what we did promise Congress and the country. We promised ten millions, and *we are now offering fifteen millions*, the increase being occasioned by the enlarged scope of the Exposition through the extended classification which the United States Commission—a federal body—adopted and prescribed. Under that state of fact it would have been perfectly consistent, and only just and equitable, that Congress should be asked to contribute the extra five millions so rendered necessary by the act of its own commission. But Chicago does not ask it as an appropriation, but as a loan. She might well say: Come ye people of the United States, ye sixty odd millions, we, a city of a million, or the sixtieth part of your number, have raised all we agreed to raise; you make more necessary, now tax five millions of dollars among yourselves and ourselves, and we will pay then about three-fourths of the whole cost. But no! Chicago, in her civic pride and intrepid spirit, asks no gift, but volunteers to carry the whole burden, and invites the entire nation to share the benefit. The minds of people in certain disaffected quarters are befuddled in this matter. Designedly they are made to believe that a temporary loan is a gift, or partakes of the nature of a gift. Let me illustrate: Suppose one of my auditors undertakes to build a house for ten thousand dollars, and circumstances beyond his control, for instance, a capitalist and exacting guardian, induce him to enlarge the plan at an excess in cost of

five thousand dollars, borrowed of the higher power for a few months on security. If that capitalist (as, in this instance, the entire nation) should share the possession and the credit of the structure, upon whom would be the hardship of this increased cost? Would any sane man pretend that the private builder does not actually incur the whole cost, because he makes a temporary loan? Does not Chicago incur the whole outlay of fifteen millions, borrowing for a brief period five only on absolutely good security? Instead of reproach on so gossamer a pretext, does she not merit the applause of the entire country for the generosity and unflinching enterprise with which she grapples and masters the stupendous undertaking?

Caution your people to give no heed to the wild rumors of opposition in one city and State—an opposition, even so far as it obtains, that, in the presence of magnificent progress at home and abroad, dwindles into utter insignificance. Criticism is to be expected, and indeed is often salutary. Sometimes from a mass of exaggeration and even falsehood, there yet remains a residuum of truth that, however unpalatable, may serve as an excellent tonic.

But what residuum of truth is there in the last report which reached me only a few days since as being now industriously circulated in France and southern Europe, to the effect that in the progress of our building irreparable blunders and unfortunate delays have occurred, and to such an extent as to render it impossible for the opening of the Exposition at the time appointed! Of course the falsity of this report, like that of many others, will be duly exposed. Even were the time for building by day insufficient, which is not the case, daylight for labor would not be the sole reliance. Our energetic Chief of Construction, reversing as to its purpose the prayer of Ajax to Jupiter: "Grant me to see, and in the light destroy," would invoke the aid of electricity at night, that "in the light" he may *build* and thereby destroy the hopes of ill-boding prophets.

Such malicious perversions of the truth are not the products of manly minds. Nor are they justly chargeable to the people at large of the "Imperial City" and State, but they find their evil inspiration in a minority, as important in numbers as it is illiberal in spirit. One instance is recorded of a body of pure water being turned suddenly green by an earthquake. It were unfair to New York to believe that at the Columbian Exposition she will exhibit herself as the second of such phenomena—turned green with envy from the shock of disappointment.

Patriotic New Yorkers repudiate these torturers of the truth. Let

them continue to be haunted by the spectres of their own creating, whilst the World's Fair managers work steadily on, with unwavering faith, toward achieving a triumphant success, looking hopefully forward to the time, even in this life, when there may be applied to them the comforting words: "They rest from their labors, and their works do follow them."

Doubtless some of you gentlemen, when aroused early yesterday morning by repeated peals of thunder, considered it naturally appropriate that the day of the Grant celebration should be ushered in by salvos of heaven's artillery, even though the military were disposed to rebel against the stealing of their thunder. Unsettled as the elements were till noon, there came then the flood of glorious sunshine, and thenceforth it was a perfect day. And so when the Exposition movement was first agitated there was thunder all along the line—a disturbance of the elements that boded no good, from St. Louis to Washington, and from New York to Chicago. But Congress shed its bounteous light, gradually the clouds dispersed, and great patches of blue have ever since cheered the Exposition sky.

Visit the grounds, gentlemen, and judge for yourselves. Behold an area like that of all Central Park, New York, devoted to Exposition purposes, about three times the area of the Paris grounds. Witness the rapid construction of the mammoth buildings, the extensive lagoons, the artistic preparations for horticultural and floral adornments, and generally the activity that pervades all departments of the great enterprise. Then see for yourselves at headquarters the reports from the several States of the Union and the gratifying messages from foreign countries, and you can better judge and testify to your friends of the enormous insurance to be effected, as well as of the magnitude and magnificence of the coming Exposition, to be commensurate with the great occasion it is designed to celebrate.

Mr. W. F. Fox—

Mr. Chairman: It behooves this assembly to express its thanks in more than ordinary terms for the eloquent and encouraging address we have just had from the Hon. Judge Bryan. It is not often that this body is honored to the degree that it has been this morning in the presence and speech of Mr. Bissell first and Mr. Bryan second. The speeches of these two gentlemen have an uplifting tendency; they broaden the view of the underwriter. It is good for us to go up to a higher point of observation and look down upon broader fields with a



broadier vision, and I think it becoming to express to Mr. Bryan, by a rising vote, our appreciation of the honor done us by his presence this morning and his interesting address.

The thanks of the Association were unanimously tendered to Mr. Bryan by a rising vote.

The President—

Gentlemen: Upon our programme remains another paper, which will be from one with whom you are all well acquainted—one of our oldest friends, one of our ablest writers and speakers—who will address us on the subject of "Fire Prevention by the Coroner Plan." Mr. C. C. Hine needs no introduction.

#### FIRE PREVENTION BY THE CORONER PLAN.

MR. CHAIRMAN AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

This has been one of my hobbies for perhaps twenty years, and when the President invited me to speak to you about it, I declined on the plea that I had already, in public addresses and written editorials, said all I had to say, and if I should discourse upon it again here, I would be thrashing over old straw—which is a very unworthy thing to do before the Fire Underwriters of the Northwest! I told him of an address made before the Firemen's National Convention; of the correspondence had with the Governors of the States and Territories, in an effort to procure legislation; of a pamphlet, of which I had circulated more than 10,000 copies; and I told him several other things, but, with the obstinacy characteristic of a Chicago man, the more I convinced him the less he yielded! and as one of us had to yield, and as I was the larger man, it seemed more gracious that New York should follow precedent and succumb to Chicago.

The excessive waste by fire, and the desirableness of checking it, are matters so large and so important that I do not need to explain my long-continued interest in them. There is ample cause for alarm among other good citizens as well as insurance people. Our fire loss ratio ought to be diminishing. During the last fifteen years substantial improvements have been made in the general character of the buildings of the country; many new water-supplies have been created; more engines and better have been added to the fire departments; our police

and our systems of alarms; our sprinklers and our automatic apparatus:—all these have been making advances, so that the risks of the country as a whole ought to be, and doubtless are, so far as their physical construction and environments are concerned, better to-day than they were fifteen years ago. Doubtless the average underwriter would say, without hesitation, that the United States is at present a better place in which to do business than it formerly was, so far as the physical hazards are concerned.

Now, what are the facts? I have secured from the Census Bureau and other sources the annual property valuations of the country for fifteen years down to date, and have placed beside them the yearly fire losses of the Chronicle Tables, and have cast the percentages, and I find that during the first five years the percentage was 0.1746, during the second it was 0.2033 and during the third it was 0.1911. It was lower during the last third of the period than it was during the middle, but it was higher than during the first third. The trend is upward instead of downward, in spite of the improved physical aspect of the field.

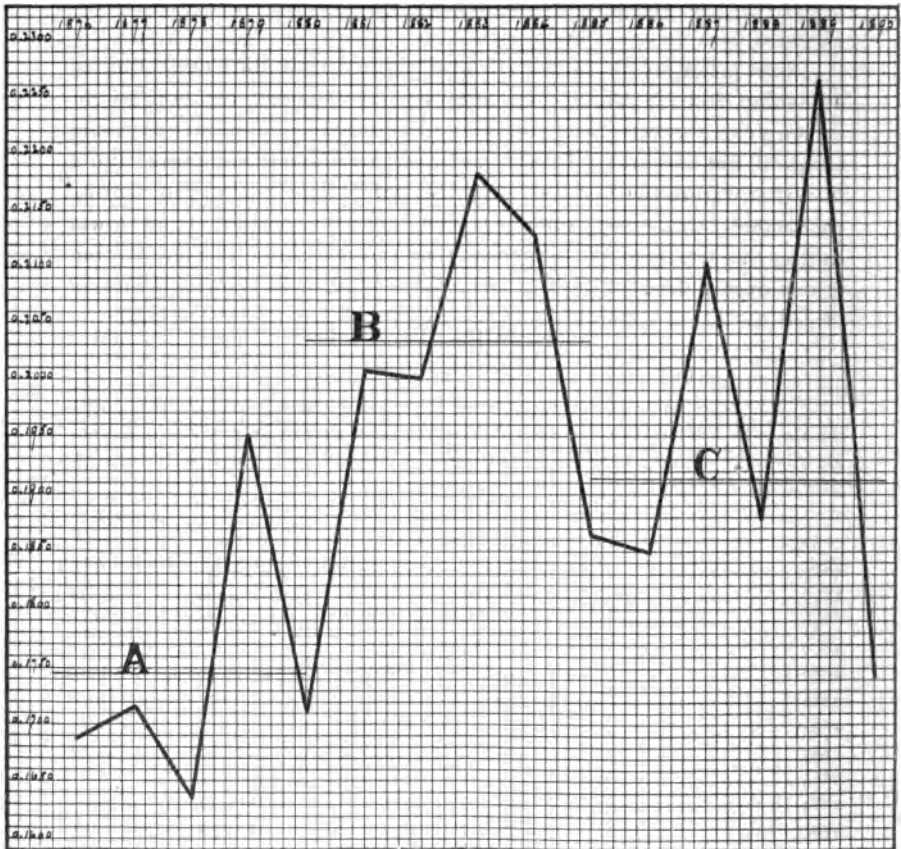
#### THE FIRE WASTE.

Table showing property valuations in the United States for fifteen years, with the losses by fire, and the percentage of loss to value year by year. The valuations for 1880 and 1890 are from the census returns, and the other years are estimated. The losses are from the Chronicle Fire Tables.

Year.	Property Valuation.	Losses by Fire.	Per- centage.
1876.....	\$38,200,000,000	\$64,630,600	0.1689
1877.....	39,827,407,247	68,265,800	0.1714
1878.....	39,289,403,710	64,315,900	0.1637
1879.....	39,884,496,914	77,703,700	0.1950
1880.....	43,642,000,000	74,643,400	0.1710
1881.....	40,479,223,084	81,280,900	0.2008
1882.....	42,229,378,186	84,505,024	0.2001
1883.....	45,917,029,909	100,149,228	0.2181
1884.....	51,646,331,558	110,008,611	0.2130
1885.....	55,215,030,883	102,818,796	0.1862
1886.....	56,740,323,457	104,924,750	0.1849
1887.....	57,150,000,000	120,283,055	0.2104
1888.....	59,000,000,000	110,885,665	0.1878
1889.....	60,710,000,000	123,046,833	0.2263
1890.....	62,610,000,000	108,993,792	0.1741
	\$732,540,624,948	\$1,396,456,054	0.1907

## DIAGRAM

Illustrating the fluctuations of the percentage of property lost by fire in the United States for fifteen years, 1876-1890. If the movement seems exaggerated, it must be remembered that we are dealing with immense sums. A divergence of one hundredth of one per cent. last year, for example, would mean a change of over six and a quarter million dollars!



- A. Average for first five years, \$17.46 per \$10,000.
- B. Average for second five years, \$20.33 per \$10,000.
- C. Average for third five years, \$19.11 per \$10,000.

If the percentage of the first third of this period had been maintained it would make a difference of over \$117,000,000 in favor of salvage. Please observe that I am not speaking of amounts so much as proportional amounts—of percentages—the *ratio* of fire loss is increasing! During the fifteen years under consideration, the property valuations of the country have increased a fraction less than 64 per cent. (63.90), while the fire losses have increased more than 68½ (68.64). In a rough way, we have a 5 per cent. increase instead of what we would naturally look for, a 5 per cent. diminution of the fire waste, and this 10 per cent. divergence means ten or twelve million dollars a year of unnatural, unlawful excess of fires.

I do not forget those modern special incendiaries, petroleum and electricity. The latter is still on the rampage, but, taking the country through, we are handling the other better, and I am not sure but we are gaining as much on oil as we are losing on electricity, notwithstanding the increase of those minor causes of fire, lamp and stove explosions. If this is so, and if the country is holding its own on other lines of prevention and safety, as it doubtless is, then my assumption holds good, that the general improvement in building, in water supply, in fire departments, and police, and sprinklers, and alarm systems, and so on, *ought* to reduce the fire waste, and the ugly fact remains that the increase is abnormal; it is straight against the natural current of affairs, and ought to be prevented. The fires, as they are now running, furnish ten million arguments per annum in favor of any scheme which will even restore the status of fifteen years ago.

The situation is a grave one. With the physical hazard steadily and generally improving, we are confronted with a retrograde. Instead of obeying the normal law and improving, as it should, the fire loss defies the canon, reverses the rule, and expands when it ought to shrink!

The facts are very suggestive, and I might easily diverge and read you a homily on moral hazard and how to fight it, and I could, with much propriety, point out the plain and absolute necessity for an advance of rates to meet the advancing loss ratio. Those who are howling for lower rates do not study history. Insurance rates *ought* to be reduced, but they cannot be until the loss rate is first reduced. But neither rates nor moral hazard are included in my mission to-day. I have not been bidden so much to search out the hidden springs of this gigantic evil, as to take the situation as I find it and prescribe a remedy of a practical character. This I seek to do by means of the Coroner Plan.

A fire is as truly a casualty as is a death, and the cause of the destruction of property is, in many respects, of just as much public concern. I am not belittling the value of human life. I am simply classifying events, and asking that the duties of coroners may be extended to casualties by fire. I have for years been preaching this doctrine. In 1888 I started on a regular campaign, besieging the legislatures and the Governors with letters and leaflets, and so on. I knew I could not accomplish much single-handed. I knew there was no ax to grind and no money in the scheme to pay any one for pushing it, and I knew what dull business such goody, goody, *pro bono publico* legislation always is, but a man with a hobby is seldom logical, and I went ahead *anyhow*. I seem to have made disturbance enough to attract the attention of our observant President, and it is his assurance that, so far as practicable, this Association will take the matter up and again carry it before the legislatures, that has encouraged me to preach my old sermon over again at this time.

The one simple, single point that I urge is that it shall by law be made compulsory that the coroner shall investigate EVERY fire. We already have laws in many of the States which provide that whenever complaint in writing shall be made by any responsible citizen, or whenever it shall be made to appear by the affidavit of a credible witness that a fire was of suspicious origin, the authorities shall proceed to investigate, etc. Such a law has been a dead letter on the statute-books of New York for more than thirty years, and in other States for various periods of time. It is wholly ineffectual, from the fact that it hinges upon the willingness of some party to come forward in the capacity of informer under oath. This is its vital defect; men will not put themselves in that position, and so fires which "everybody knows" are frauds, go unexamined and the frauds go unpunished. But even if this were not so, the need for such a law would exist all the same, for I am not pleading for a police enactment solely; I am seeking for a great deal more than the mere detection of incendiaries. The majority of fires are free from suspicion of fraud, and it is into the origin of the honest losses that investigation needs to be made, so as to understand the building-defects and other causes whence such fires arise, in order to remedy them and prevent the further destruction of property from causes so ascertained. Over one hundred million of taxable values go up in smoke each year in this country—perhaps three million dollars per State, on the average; and it is in an effort to reduce this three million to one million or less, that I have been inviting the Gov-

ernors and legislatures to join. Now that I seem to have secured the coöperation of this powerful body of underwriters, the prospects brighten. I have heretofore, however, said next to nothing about insurance in my public utterances over this topic, for obvious reasons. I have thought it better to make my plea one of public policy and seek to remedy the building laws, to prevent fires, to save taxable values to the State, to diminish crime, and so on, rather than to favor insurance companies, which have not the sympathy of the modern legislator. If the laws can be enacted and the public records created, they will be open to all citizens, insurers included, and we will have just as much benefit from them as if they had been created for our especial use.

In the prosecution of this scheme it will not be necessary to create new offices and additional expenses, but merely to enlarge the powers and the field of duty of the coroner now in office.

The law must compel him to examine *EVERY* fire, large or small, in any sort of property burned within his jurisdiction, for the purpose of ascertaining its origin and cause.

He must have the same powers as in cases of death, to impanel juries, to enter premises, to appoint assistants, and to do or cause to be done, such things as may be necessary to ascertain the causes of fire.

He must make a full report of each case to the county clerk, or some other county officer, and monthly, or annually, to report to the Auditor of State, who shall collate and publish the fire statistics so acquired, particularly in regard to the causes of fires that might have been avoided by better police, better building or otherwise, to the end that property may be saved, and the future fire waste diminished.

In cities where there are fire marshals or other officers charged with duties in connection with fires, it must be compulsory that they investigate *EVERY* fire for the ascertainment of its origin, and report as above.

The plan is so exceedingly simple that there is really not a great deal to be said in describing it. You will find on pages 6, 7 and 8 of the leaflet which has been so freely distributed, a draft of a law embodying the general points that I have presented. It is not worth while to consume your time in reading it now, but you can examine it at your leisure.

It is Edward Atkinson's opinion that the unforeseen and unpreventable loss in *insured* property can be reduced to ten cents on the \$100. It now reaches over fifty cents; and according to the data

above collated it reaches nineteen cents on the hundred dollars of property generally, insured and not insured, *including land*.

If one-third of these values represents land, or property not burnable, the burning ratio on the other two-thirds is nearly twenty-nine cents on the \$100.

If it be possible to reduce the fire-loss on insured property (which includes the more hazardous classes) from fifty cents to ten cents, it certainly ought to be possible to so reduce it in property generally, where the ratio is less than three-fifths as high.

If it can be so reduced, and the ratio brought from twenty-nine cents per \$100 to ten cents, a saving of property to the country at large of not less than \$80,000,000 per annum will be effected.

What the influence of this large annual salvage would be upon the prosperity of the country, the employment of men now made idle by fires, the taxable values preserved to the State, etc., it is not necessary to inquire. An effort in this direction must commend itself to every good citizen and to every legislator who has the interest of his State at heart.

#### PREVENTION OF CRIME.

If it were known that EVERY fire was to be officially investigated for the express purpose of ascertaining its origin; that a public officer had power to enter upon and examine premises, empanel juries, send for persons and papers, examine witnesses under oath, and that he would do it, incendiary fires would be diminished, if they did not practically cease. It is easy to see the healthful influence of such legislation on that class of crimes.

#### BUILDING IMPROVEMENTS.

While thousands of fires are caused by defective construction, it is not probable that such defects are ever designedly introduced, but they will continue until they are prevented by intelligent building laws. Intelligent building laws cannot be formulated until the evils against which they are to be directed are fully and clearly known. How can this knowledge be so easily and certainly obtained as by official investigation of the evils deprecated, and the collation and publication of the results of such investigations through a series of years by the simple machinery of a fire-coroner law, as herein suggested? Of course I am, in this paper, confining myself to the one consideration of destruction by *fire* and the prevention of loss by *fire*. Our building laws need reform for architectural, hygienic and humanitarian reasons;

but these are not within my present purview, which is limited to fire prevention, and further limited to prevention by the coroner plan.

What the coroner now is, in the investigation of the causes of death, and as a wholesome check on the crime of murder, such would he be in the investigation of burning casualties. What the community would be without a coroner for death-casualties, that it now is in regard to fires. There would seem to be not a single argument to be urged in favor of the one which is not equally applicable to the other.

The enlargement of the coroner's field should be popular with him, as it increases his importance and enlarges his fees. It should be popular with the legislature, as it reaches results without the creation of new offices or new expenses. It should be popular with the people, as it would tend to lessen crime and preserve valuable property.

The proposed plan, as sketched in the draft of an act referred to, does no violence to present laws; on the contrary, it is in full harmony with those already existing in many of the States, which laws, however, in most instances, need a supplement of this kind to make them effective. So long as an investigation must be preceded by an affidavit that there are suspicious circumstances, there will be few investigations. However much men may believe that a fire is crooked, they do not care to make themselves unpleasantly—perhaps dangerously—conspicuous by volunteering such an oath concerning it. What is wanted is an official examination of ALL fires, the straight and the crooked alike.

It was part of my present purpose to write again to the Governors of all the States and Territories, making inquiry as to the present status, and also to call further attention to the coroner plan. This I have done, and while I have thus far found none of the legislatures in session, I have, so far as responses have come in, secured invariably respectful attention and many promises to recommend legislation on this important matter. Enough pioneer work has now been done to make it seem comparatively easy to further prosecute it to a finish, and I sincerely trust that the matter may not be permitted to die with the echoes of my voice.

I also selected about fifty of our representatives abroad, ministers and consuls, and wrote to them, asking for information in regard to fire prevention in foreign countries. Such correspondence has, naturally, a slow sequel, and while I may, further along, have something from these sources to present to you through the columns of the *Monitor*, I am not to-day able to report much progress.



## EXTRACTS FROM LETTERS RECEIVED.

M. G. BULKELEY, Governor of the State of Connecticut : \* \* \* The object you aim at is certainly a laudable one, and the suggestion of your proposed legislation would seem to be worthy of careful consideration by the public and by legislators.

The present political complications in our State prevent me from making any suggestions to the General Assembly ; but I will carefully place your communications in the Executive archives, and call the attention of my successor to the same whenever he shall enter upon the duties of his office.

NORMAN B. WILLEY, Governor of the State of Idaho : \* \* \* The subject is one of greater importance than it has yet received at the hands of our State legislature. At the last session it was only casually referred to in the communications of the Governor, and the press of important subjects incident to the getting into operation of the machinery of a new State prevented or postponed any decisive action by either branch of the legislative bodies. I shall, in due time, lay the whole matter before the various Boards of Trade of the State, and the press, with a view of influencing public opinion towards favorable action by the next session of our legislature.

JAMES E. CAMPBELL, Governor of the State of Ohio : \* \* \* I am in receipt of yours in regard to legislation for the diminution of fire waste, and in reply would say that I will be very glad to be of any service I can in the matter.

H. D. TATE, Private Secretary of the Governor of the State of Pennsylvania : \* \* \* Governor Pattison directs me to state that the subject matter will receive due and careful consideration.

W. H. MCBRIDE, Superintendent of Insurance of the State of Kansas : \* \* \* Mr. Hine's plan to investigate all fires by some public official and reports made public would certainly, it seems to me, diminish losses by fire.

There is no question but that a large percentage of the commercial losses by fire have their origin in incendiarism, and if each fire was sure to be thoroughly investigated, the fraudulent fires would soon be reduced to the minimum.

I believe such a law would be a great saving to the business interests of the country.

THOMAS M. HOLT, Governor of the State of North Carolina : \* \* \* I have examined the printed matter received with your letter, and I think it a move in the right direction, and will recommend the principal features of the same to next General Assembly (which meets January, 1893), for their consideration.

ROBERT J. REYNOLDS, Governor of the State of Delaware : \* \* \* The matter strikes me favorably, and I shall recommend and urge upon our General Assembly, at its next meeting, the passage of such a law.

CHARLES W. WHITCOMB, Fire Marshal of the City of Boston : \* \* \* Experience gained during a service of nearly five years in this office, since its creation

in 1886, has convinced me that an office similar in its duties and powers should be established in every large city and county in the various States, and as I witness from daily observance the increasing importance of the work accomplished I am surprised that the establishment of such offices throughout the country has been so long delayed.

Since the creation of this office, the duties of which are limited to the City of Boston, there have been on an average five times the convictions for incendiarism each year that there were before, and this notwithstanding a very material and continued reduction in the number of incendiary fires. Moreover, in a large number of instances, where the evidence has not been of a character to secure a conviction, but where the parties were undoubtedly guilty of crime, sufficient facts have been obtained to release the insurance companies from paying an unjust claim.

\* \* \* \* \*

In the larger cities the work of the Fire Marshal should not, in my opinion, be hampered by any duties outside of actual fire investigations, although in the other counties I think the duties might well be combined, as suggested by Mr. Hine, with those of coroner.

The establishment of such offices throughout the country would be really of national importance, as it would enable the various officials to furnish much valuable information and assistance to one another. People who make a business of setting fires (often Bohemian by nature), are generally migratory birds by force of circumstances, working first one city and then another. The establishment of Fire Marshals, with proper authority, unhandicapped, so far as possible, by the baneful influence of municipal politics, would furnish a well organized system of espionage upon these people over the whole country which would be invaluable in the work of ferreting out incendiaries.

THE MASSACHUSETTS LAW.

AN ACT to establish the Office of Fire Marshal of the City of Boston.

\* \* \* \* \*

SEC. 2. It shall be the duty of said Fire Marshal to examine into the cause, circumstances and origin of fires occurring within the municipal district of Boston, by which any building, vessels, vehicles or any valuable personal property shall be accidentally or unlawfully burned, destroyed, lost or damaged wholly or partially; and to specially examine and decide whether the fire was the result of carelessness or the act of an incendiary. The said Fire Marshal shall, when, in his opinion, said proceedings are necessary, take the testimony on oath of all persons supposed to be cognizant of any facts or to have means of knowledge in relation to the matters herein required to be examined and inquired into, and cause the same to be reduced to writing, verified and transmitted to the district attorney of the county of Suffolk, and to the board of fire commissioners of the city of Boston. Said Fire Marshal shall report in writing to the owners of property, or other persons interested in the subject matter of investigation, any facts and circumstances which he may have ascertained by such inquiries and investigation, which shall in his opinion require attention from said person or persons, and it shall be the duty of said Fire Marshal, whenever he shall be of opinion that there is evidence sufficient to charge any person with the crime of arson, to cause such person to be arrested and charged with such offense, and furnish to the district attorney all the evidences of guilt, with the names of wit-

nesses and all the information obtained by him, including a copy of all pertinent and material testimony taken in the case; and he shall specially report to the board of fire commissioners, as often as such board shall require, his proceedings and the progress made in all prosecutions for arson, and the result of all cases which are finally disposed of.

SEC. 3. The Fire Marshal shall have power to subpoena witnesses and to compel their attendance before him in like manner and effect as trial justices to testify in relation to any matter which is, by the provisions of this act, a subject of inquiry and investigation by the said Fire Marshal. The said Fire Marshal shall be and is hereby authorized to administer and verify oaths and affirmations to persons appearing as witnesses before him, and false swearing in any matter or proceeding aforesaid shall be deemed perjury and shall be punishable as such. The said Fire Marshal shall have authority, at all times of the day or night, in performance of the duties imposed by the provisions of this act, to enter upon and examine any building or premises where any fire shall have occurred, and the buildings and premises adjoining and near to that in which the fire occurred.

\* \* \* \* \*

Mr. I. W. Holman—

It was my intention to offer some resolutions, but owing to the lateness of the hour, and the fact that it will take some time for us members here to explain to Mr. Hine what the Governor of North Carolina really did say, I will postpone my remarks until later, and content myself with moving a vote of thanks to Mr. Hine.

Mr. W. F. Fox—

Before the motion is put I would like to ask Mr. Hine to state the method by which he would like to have this Association move in this work. It occurred to me while he was reading, that if he could give each member of the Association a trunk full of his pamphlets and of his speech just delivered as well, they could be distributed broadcast among the Local Agents, and the agitation on the subject thus secured might lead to legislation, but in order to secure results we must first have agitation.

Mr. J. O. Wilson—

As Mr. Holman has intimated that he has some resolutions to present on this subject, and for fear that in the haste of the moment proper justice may not be done to this matter, I move that it be made the subject of special discussion this afternoon at the opening session.

The President—

You have heard the motion, gentlemen, to discuss this subject this afternoon. What is your pleasure in the matter?

The motion was carried.

Mr. Hayes—

Excuse me, but the vote of thanks to Mr. Hine was not put.

The President then submitted Mr. Holman's motion, and it was unanimously adopted.

Mr. J. M. De Camp—

Is it the pleasure of the Association to hear the memorial resolutions on the death of Mr. Erastus Bassett at the present time?

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The meeting having signified its desire to listen to the memorial, Mr. De Camp, on behalf of the committee, submitted the following

REPORT OF COMMITTEE ON THE DEATH OF  
MR. ERASTUS J. BASSETT.

ERASTUS J. BASSETT, General Agent of the Ætna Insurance Co. Born March 27, 1820, at Stockbridge, Mass. Died July 26, 1891, at Hartford, Conn.

No stronger name has appeared on our roll than that of E. J. Bassett, of Hartford, Conn. He was one of "Nature's noblemen," and stood preëminent as a general field man. Indeed, his position was unique. Busy as an Adjuster and General Agent, intrusted with many important negotiations, he was also a valuable counsellor in affairs of management at the home office, which was his headquarters.

He served the Ætna Insurance Co. for a period of twenty-nine years with a lofty pride in its greatness and a singleness of devotion which merged his identity with its larger fame.

We may well believe that were he living he would have sat among us to-day, *primus inter pares*, celebrating the twentieth anniversary of the great fire of history, in the adjustment of whose losses he bore a conspicuously brilliant part.

Mr. Bassett was more than a notable professional and officer: he was a lovable companion, a true friend, and a kind adviser of young men.

In the performance of his duties he was firm and tenacious for the right, despising all sham and pretense, reaching results in adjustments by clear, straightforward demonstration rather than by labored and finical processes of methodical exactness.

He was a member of this body for over sixteen years, and though only occasionally present, was always interested in its papers and discussions, and we felt that although his field was largely Eastern and Southeastern, he was in touch with Western men and Western ways, and we claimed him as peculiarly one of us.

Although not seemingly an old man from his great activity, he had passed the honorable age of three score and ten, a period of life, in his case, "accompanied by honor, love, obedience and troops of friends," until at last he fell, "like autumn fruit that mellowed long," giving forth the fragrance of a ripened culture. We shall long cherish his rugged but gentle personality and emulate the honesty and grace of his perfected manhood.

J. M. DE CAMP,

T. H. SMITH,

F. C. BENNETT,

*Committee.*

Mr. T. H. Smith—

Mr. President, I presume that it is in order to move the adoption of this memorial by this Association, and I rise to either make that motion, or if Mr. De Camp's paper covered that, to second it. Comparatively few here, perhaps, knew Mr. Bassett as I did. I knew him for, I guess, twenty years, and I wish to add my word for him. I remember him particularly for his kindness to me as a young man when first starting out, and the frequent occasions he took to give me a word of encouragement, which I have always cherished with a very tender memory. I second most heartily Mr. De Camp's memorial.

Mr. De Camp—

I would like to amend the memorial, Mr. President, by recommending that a copy be sent to the wife of the deceased.

The President—

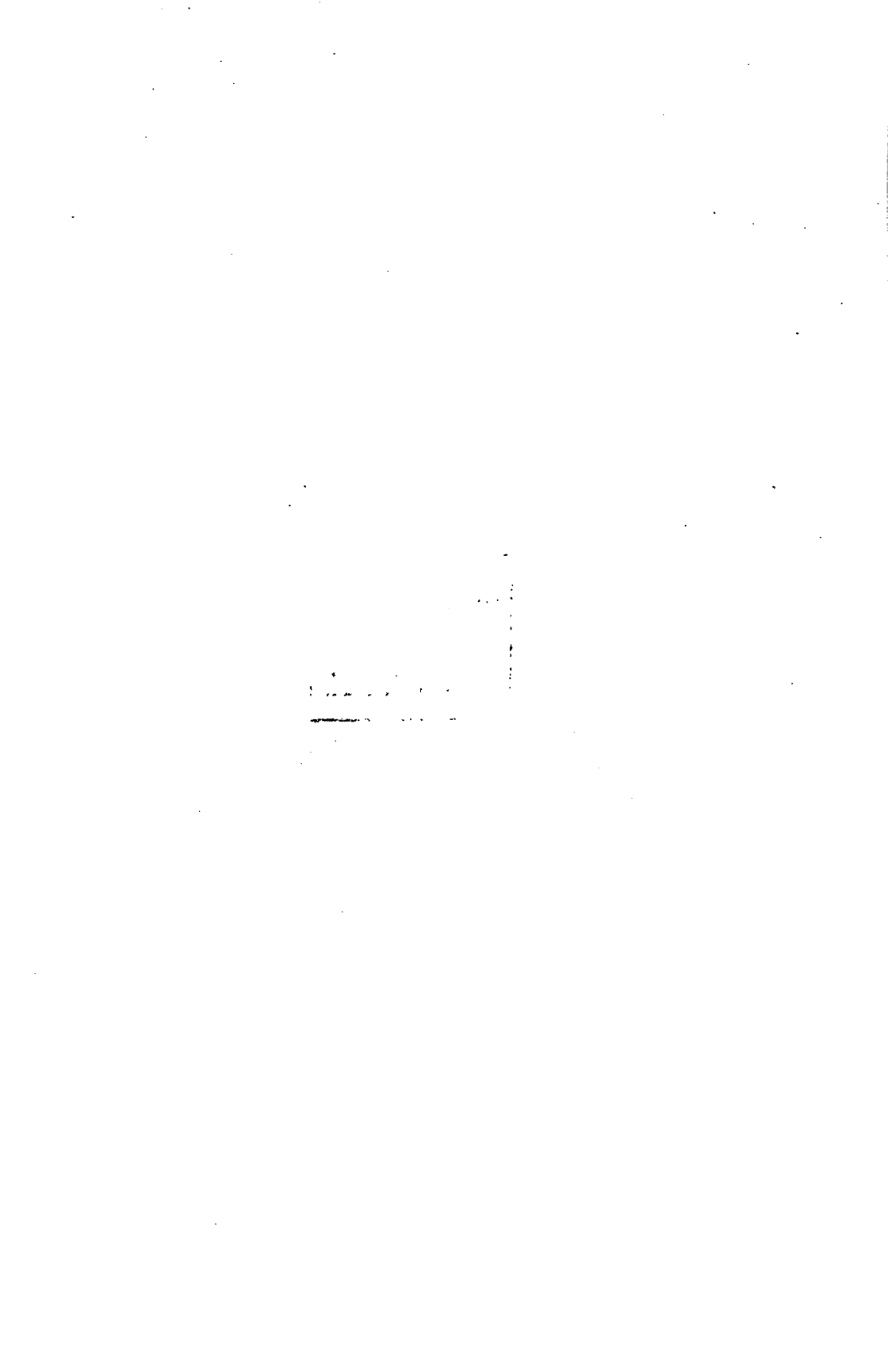
Gentlemen, you have heard the motion and the amendment. Those in favor of the adoption of this resolution will manifest it by rising.

The resolution was unanimously adopted.

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The President—

Before adjourning, I wish once more to call attention to the invitation given by the Managers and General Agents of our profession in this part of the country, to this body, to participate in a banquet





ERASTUS J. BASSETT.

In Memoriam.

---

1891.

---

Erastus J. Bassett.

HARTFORD, CONN.

---

General Agent of the Aetna Life Insurance Company.

---

DIED JULY 26, 1891.

AGED 71 YEARS.





**In Memoriam.**

---

**1891.**

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**Erastus J. Bassett,**

**HARTFORD, CONN.**

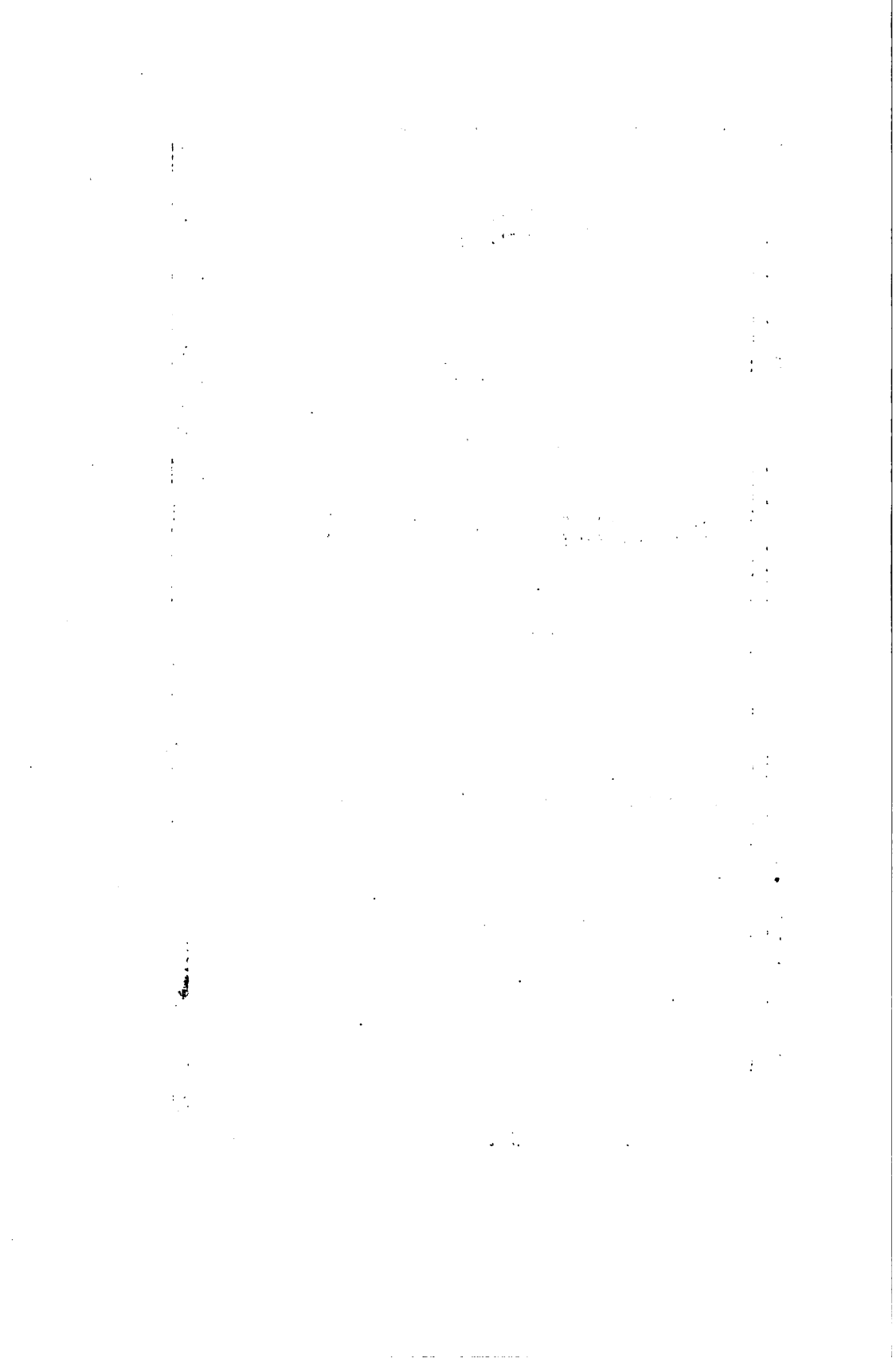
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**General Agent of the Aetna Insurance Company.**

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**DIED JULY 26, 1891.**

**AGED 71 YEARS.**



to-morrow evening. There may be some misunderstanding in regard to this. The members, the field men at least, of this Association, are requested to enter their names to-day if they intend to be present to-morrow evening. There will be no cost to them in the matter. The committee desires, however, that the names of all who intend to participate on that occasion be recorded as early as possible. The list is now getting so large that the banquet may have to be held in the large dining-room.

Mr. De Camp—

I wish to move a rising vote of thanks to Mr. Crosby, not only for his able paper, but for the compliment he, as President of the New England Exchange, has paid this Association, in coming so far to attend our sessions. I therefore move him a rising vote of thanks.

The motion was unanimously carried.

Mr. Fox—

Before adjournment, which seems to be imminent, I think it proper to take some notice of Mr. Bryan's address, and see what action, if any, this body may choose to adopt, or outline, in conjunction with the Word's Fair committees; whether any plan can be formulated by this Association which will lead to results that will add to the glory of the West and Chicago in that connection.

The President—

I will remind the gentleman that in my remarks there was some allusion to that subject, and the address has been referred to a committee, which will make a report and perhaps some suggestions upon that point.

Mr. Fox—

I think it should be acted upon, Mr. Chairman, before our adjournment *sine die*.

Mr. T. H. Smith—

The Committee on the President's Address is ready to report at any time, at the pleasure of the Association.

The President—

I think we can take that up early this afternoon.

Mr. Hine—

If it is the pleasure of the Association to listen to the report of the Committee on the Memorial of Mr. Whiting, it is now ready, and the committee prepared to report.

The President—

Our meeting this morning, Mr. Hine, has been very interesting, but very lengthy, and as I see an inclination on the part of many members to adjourn, I would suggest that the reading of the memorial be deferred until our afternoon session when a larger number will be in attendance.

Mr. Fox—

I move that the reading of the memorial of Mr. Hine's committee be postponed, and next, that Mr. Smith's report on the President's address and the discussion on Mr. Hine's paper be taken up early this afternoon.

The motion was carried.

On motion of Mr. J. O. Wilson, the convention adjourned until 2 o'clock P. M.

## SECOND DAY.

### AFTERNOON SESSION.

2 o'clock.

The President having called the meeting to order, announced that the Committee on the Memorial of Mr. Jacob Peetrey was ready to report.

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Mr. L. J. Bonar, chairman of the committee, submitted the following report:

#### REPORT OF THE COMMITTEE ON THE DEATH OF MR. JACOB PEETREY.

There is a reaper whose name is death,  
And with his sickle keen  
He reaps the bearded grain at a breath,  
And the flowers that grow between.

February 14th, 1837, and May 24th, 1891, are the boundary lines marking the length of, in some respects, a remarkable life, which was

widened out into a range of personal experiences that lifted the man out of the ordinary channel up to a plane above the common level.

Between these dates of birth and death—between the morning sunrise of joy and the evening sunset in one common sorrow, lie, as we measure time, fifty-four years, three months and ten days, which comprise what we call the life of our departed friend, Jacob Peetrey.

Friend after friend departs.  
Who hath not lost a friend ?  
There is no union here of hearts,  
That finds not here an end.  
Were this frail world our only rest,  
Living or dying, none were blest.

Commencing his business life with a clear mind and a strong body, and with such an education as the public schools of London, where he was born, had afforded him, his merit became the ladder by which he ascended to different positions of honor and responsibility without the aid of either wealth or influential friends. At the age of sixteen, and during the three succeeding years thereafter, as a clerk in a dry goods store in his native place, he laid unconsciously the foundation of his future business career.

A vacant position in the old Franklin Bank at Columbus attracted him thither when only nineteen, but three years later he returned to the home of his boyhood to engage as a partner in the dry goods business—an occupation that proved unsuited to his tastes, and which, within a few months, he gave up in order to accept a commission from President Buchanan as postmaster at London.

It was while occupying this position of honor and trust that he was married to the girl of his choice, Miss Frances Vethake, of New York, each surrendering self for the pleasure of the other, and sharing together thereafter to the fullest extent the joys and sorrows of life, making their home a model of family love, devotion and affection.

During the year 1862 his fellow citizens honored him with an election to the office of county auditor, which he surrendered at the expiration of the term in March, 1865. Three years later, the Home Insurance Co. of Columbus, in recognition of his abilities as its representative, promoted him from the position of Local to that of Special Agent, and again during the following year to the office of General Agent, which position he filled with such satisfaction that in the year 1872 the Board of Directors set the seal of their approbation to his official acts by electing him to the office of secretary of that company.

In one year after this a more extended field of operations was opened for his activities as the General Special Agent of the National Board of Fire Underwriters, in which position he gained many new experiences, formed numerous and valuable acquaintances throughout the country, and performed his responsible duties in such a manner as to bring to himself increased honor and multiplied opportunities to display an intelligence and tact of no mean order. During the second year of his engagement he resigned this office to accept the management of the Southern Department of the Franklin Insurance Co. of Philadelphia, making his home and headquarters in that city.

Upon his voluntary retirement from the National Board, General Agent Thomas H. Montgomery publicly expressed his personal regrets for their separation, and the Executive Committee passed appropriate and highly complimentary resolutions on his work, which were published at the time in the printed proceedings of that organization.

In the year 1879, after an interval of about six years, he once more returned to his old home in London, where for a time he served successfully and satisfactorily the Alliance Insurance Co. as its State Agent and Adjuster.

In the month of March, 1881, he entered the service of the Queen Insurance Co., under the management of Mr. Rogers, who pays, out of the fullness of his knowledge and heart, the following tribute to the memory of his friend :

Mr. Peetrey commenced working for us in March, 1881, and remained with us four years, when he resigned in order to accept a more lucrative position with another company. I have known him for over twenty years. He always discharged every duty imposed upon him with fidelity and with consummate skill. I have never known a man who seemed to possess in so high a degree the esteem and affection of the agents under his jurisdiction. Few men, indeed, possess so great a heart as he had. His faults, if he had any, were his liberality and kindness. He inspired confidence with claimants, and when he left us he did it in an honorable way, stating frankly the facts in the case, and he carried with him our highest esteem and best wishes for his success.

A no less excellent and fitting tribute is paid to his memory by Mr. Irvin, President of the Fire Association :

Mr. Peetrey came with us in the early part of 1885 under the most trying circumstances, and the result of our business being a continued increase of premiums, indicates the ability and devotion of the man. He was an earnest, intelligent and efficient worker, away above the ordinary small things of the business, and completely wrapped up in the company's interests. He was the Fire Association for Ohio, Indiana and West Virginia, and we will not be able to replace him. His many







JACOB PEETREY.

In Memoriam

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1891.

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Jacob Peetrey.

LONDON, OHIO.

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State Agent Fire Association. of  
Philadelphia, Pa.

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DIED MAY 24, 1891.

AGED 54 YEARS.



M. J. FREY.

**In Memoriam.**

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**1891.**

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**Jacob Peetrey,**

**LONDON, OHIO.**

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**State Agent Fire Association, Phila-  
delphia, Pa.**

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**DIED MAY 24, 1891.**

**AGED 54 YEARS.**



friends are familiar with his manly qualities, his sterling honesty and integrity. He was so honorable himself that he considered everybody equally so. The more I think of him, the more I regret his loss and the more I feel unable to say enough to impress upon those who did not have the pleasure of his acquaintance, the character of the man who has been taken from amongst us.

Weak and with faltering step he returned to his home from his last trip January 1st, and during the succeeding months he carried on with cheer and unfailing courage a heroic struggle, yielding the ground inch by inch, with an undimmed hope, until the final hour of departure, when, during the early morning hours of a Trinity Sunday, amid its almost oppressive stillness, broken only by the songs of the birds, in strange contrast with the requiem of death, and surrounded by the loved and the loving of his household, his generous spirit peacefully and quietly moved out of its tabernacle, terminating the union for the present in a manner fitting to his gentle life.

Strong to the end a man of men, from out the strife he passed.  
The grandest hour of all his life was that of earth his last.

It is not always an easy matter to speak pleasantly of the dead, and it is a rare thing to find, after his departure, a man whose mistakes in life came through the channel of his virtues rather than his vices, but Jacob Peetrey was not a man "molded out of his faults." Studiously avoiding all antagonisms, he was peculiarly sensitive to unkindness, and few things gave him greater pleasure than assurances of personal friendship, or greater pain than evidences of betrayal or deception under its garb. Modest in his demeanor and unassuming in his conduct, he was free from all officious obtrusiveness. In his friendships he was as steadfast as he was true, and to resign a lucrative position rather than desert an old friend from whom he could reasonably expect nothing in return beyond a personal friendship, and receive an ungenerous stab which left a scar that he carried through life without a murmur or resentment, marked him as a superior man fully entitled to our love and respect. Honest himself, he was unwilling and reluctant to see dishonesty in others, and this, combined with his unbounded generosity, rendered him a person to whom appeals for assistance were well-nigh irresistible. His hospitality, which was proverbial, knew no sacrifices and was limited only by his financial abilities and his official duties.

To the young Special Agent he was at once a patient friend, a wise counsellor, and a safe adviser, never willfully misleading him for selfish ends. It was his natural instinct to assist those needing assistance,

and the person in trouble craving sympathy or defense only had to turn to him to find a warm heart or a strong arm.

This Northwestern Association, extending over a wide area of territory, and made up of underwriters occupying different positions and representing different interests, had no more earnest supporter, the State Associations within the field of his operations had no more intelligent nor efficient worker, and the State and Special Agents who have been traveling up and down through the States of Ohio and Indiana in pursuit of their avocations, had no truer friend than Jacob Peetrey.

He never wasted any of his energies in the indulgence of personal animosities, nor did he dwarf the dignity of his manhood in nursing petty jealousies, but above the murky atmosphere of suspicion and meanness, he moved serenely along in his dealings with his fellow men. While not free from the imperfections incident to human nature,

His life was gentle, and the elements  
So mixed in him that nature might stand up  
And say to all the world, "This was a man."

To the members of his family, in their bereavement, we extend, through the medium of these poorly but our best chosen words, our estimate of the man and our sincere sympathies.

Mr. W. F. Fox—

I cannot allow the present occasion to pass, after listening to the very kind words of Mr. Bonar in eulogy of Mr. Peetrey's character—all of which is true and did not go far enough—without adding my tribute to Mr. Peetrey's worth: first, as a man; next, as an underwriter; and third, as a friend and an original member of this Association. In 1868, when I first went to Ohio in the capacity of State Agent for a company now gone the way of all the earth, one of the first men I met was Jacob Peetrey. I met him in a little town not far from Cleveland, on a loss. I was struck with the man's honesty, his simplicity of character, his sincerity of purpose, his disposition for even-handed justice, although his company might suffer. Justice was what Mr. Peetrey wanted first and always. If that man had a fault in the world, it was that of generosity and forgiveness. He was generous to a fault possibly, and his forgiving disposition led him to overlook many things that others could not. In all the history of this Association, I do not think that any one took greater interest in its growth and prosperity, and in the personal life of its members, than

Jacob Peetrey did, and I wish to second and emphasize the good things Mr. Bonar has said.

Mr. W. P. Harford—

I realize that I would be doing injustice to my feelings were I to sit idly by and not give utterance to the promptings of a heavy heart.

It is not mere sentiment that seeks expression on occasions like this, for eulogies are but feeble outpourings of sorrowing souls, and cannot tell the measure of grief within.

To-day, while the dark shadows are hovering over us, we are thinking of the past, of the years now gone, of the annual recurrence of these reunions, the memories of which come crowding back with mingled feelings of joy and sadness.

We are thinking of these vacant chairs where sat once familiar forms, now sleeping beneath the sod. We see once more familiar faces, and hear, or almost seem to hear, voices forever silent now.

Year after year we come to tell the story of new-made graves and honored dead. Each twelve-month returns with added requiems of fallen associates.

One year ago, here in these halls, with tear-dimmed eyes, we listened to the story of the life-work of those whose example we would gladly emulate. Twelve months have elapsed, and we come again; our tears are undiminished, our sorrow is unabated. Even while the echo of mournful dirges lingers in our ears, we hear again the tolling bells; and ere the grass is green on yonder hillock, we come once more from another new-made mound.

Thus it is, with each cycle of months, we have learned to realize an unflinching expectancy. In the knell of each departed brother we recognize a solemn admonition. Who can fail to interpret the unmistakable warning? Who can fail to hear the melancholy query, Who will be the next?

It is the chorus of requiem dirges. We heard it through the years that have gone; we hear it now. Down deep in every heart is an echo to the bells, Who will be the next?

A little while ago one stood among us in the full vigor of manhood, now cut down in the prime of life, in the midst of usefulness. Who is here that does not remember the manly form, the kindly face, the open-hearted Jacob Peetrey? He who, because of his generous nature, was looked upon as the peerless Peetrey?

He seemed to regard this organization as one of the objects of his affection, and as an earnest of his good will bequeathed to this Associa-



tion his library—a legacy that should ever be cherished as sacred to the memory of one we loved.

I knew him well. It was my privilege to be associated with him in field work as much as any one else on this floor.

I have known him for more than twenty years. In all that time he, in the conscientious discharge of every obligation, stood preëminently before me as the embodiment of what is noble, and manly, and good.

We respected him for his intelligence; we honored him for honesty of purpose. True to his family, true to his friends, true to himself.

What can we do that will add to the grandeur of such a character? The story is truly, yet briefly told, when we simply say, Jacob Peetrey was a manly man.

How fittingly the words of another apply to our departed friend. On Mt. McGregor it was recently said of the immortal Grant: "Such lives do not go out, they go on." Thus, too, it ever is with the noble and good, even in the humbler walks of life. Ever onward, ever upward, leaving behind them an undying echo that lingers in the heart, lingers in the home, 'mid cherished memories of the hearthstone.

Mr. Ostrander—

It occurred yesterday that a vast multitude of people from Illinois and other Western States assembled in Chicago to witness the unveiling of a monument erected to the memory of a great general and distinguished citizen—one who, at a critical moment in our national existence, rendered to the State and to civilization a most important service. In grateful acknowledgment of this service, and to do honor to the memory of a great military chieftain, on a wet and chilly October afternoon, everywhere in this city places of business were closed and the merchant, manufacturer, capitalist and laborer, in great numbers, visited Lincoln Park, to participate in ceremonies that have no other significance than to testify their appreciation of one who, acting in reference to important public affairs, had performed his duty well.

While it is proper that we should accord due honor to the chief who led our armies to victory, we are reminded that it is not alone to the statesman and general that we are indebted for the blessings we enjoy; for the happiness that comes to us through the peaceful and orderly arrangement of our social life; for the protection of our rights; the security of our homes and the companionship of good men. He who can successfully command himself is not less than he who suc-

cessfully commands armies ; he who captures the hearts of his fellows by the silent influence of a noble life is not less than he who conquers cities with the aid of military power—and such a man was Jacob Peetrey. If his name is not written on the page of history, it matters not. There are many who will remember his genial face, kind, encouraging words and benevolent deeds, with that sort of love and gratitude that makes hearts to swell and glow with kindlier feelings towards their fellows. No life was ever made to bear heavier burdens because of Jacob Peetrey. He was never a thorn in anyone's flesh ; his nature had the freshness, bloom and joy of spring. He has added to the sweetness and beauty of life. Those with whom he came in contact were often made better, and the influence of his stalwart manhood and warm heart has touched other lives, quickening kindlier and stronger impulses that will mold character and influence conduct while he rests quietly in the churchyard of London, unconscious of the ripening harvests which others will gather from his planting. He recognized in its fulness the fact—

That which issues from the heart alone  
Will bend the hearts of others to our own.

Some ten years ago Mr. Peetrey and myself were mutually interested in the adjustment of a loss. After meeting the claimant and inquiring into the circumstances concerning the fire, we reached the conclusion that the claim was a bad fraud. During the evening we discovered a technical defense which formed the basis of a hope that we should be able to defeat the rascality. About 1 o'clock in the morning I was awakened by a determined rap at my door, which, after lighting the gas, I opened without waiting to dress. Mr. Peetrey entered, a picture of distress, and without waiting for me to inquire the purpose of his unseasonable visit, he proceeded to explain that he had not been able to sleep—that he did not like, he said, “the *ex parte* star-chamber method” we had adopted of trying and convicting a man for arson. He reminded me that the claimant had a family ; that if the plan we had agreed upon was successful, it would result in his bankruptcy ; that while the circumstances looked very bad, it was possible, after all, that satisfactory explanations could be made. After discussing the matter for some two hours, we agreed that the claimant should have the next morning a *fair trial*. Mr. Peetrey returned to his room with his conscience much relieved. The next morning the claimant did not appear, and later in the day, on learning that he had

run away, Mr. Peetrey said to me, with a half humorous and half sad smile, that he guessed "the claimant had in some way found out that we had decided to give him a *fair trial*, and that he had probably concluded it would be safer for him to skip out of the country." Mr. Peetrey would never accept an advantage at the expense of another's rights. His judgment was always dominated by a sentiment of justice.

Dear, faithful companion, unselfish, indifferent of wealth or distinction, but with a heart always full of trust and tenderness, we feel deeply your loss. The ear of your great soul has listened to the music of the spheres, purifying and elevating your nature above meaner desires and ambitions that attract and move others less nobly endowed. If those who were your companions can live better because they have felt the touch of your spirit, monuments of metal and stone we need not raise to your memory. A well known poet has written :

Voice of earth to earth return,  
Prayers of saints, that inly burn—  
Saying, *what is excellent,*  
*As God lives, is permanent.*

May the good Lord judge brother Peetrey with the same measure of justice, mercy and charity that he has shown in judging his fellow men.

The memorials were adopted by a silent rising vote.

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Mr. J. C. Griffiths—

In order to bring Mr. Hine's paper before this meeting for proper consideration, I beg to offer the following resolution :

*Resolved*, That the Secretary be instructed to send a copy of the paper read by Mr. C. C. Hine to the Superintendent of every Insurance Department in the Northwest, requesting him to secure its publication in the local papers so far as possible, and that a member of this Association be appointed in each State to secure such publication, and make it his special duty to bring action in State Boards to procure agitation.

The President—

Gentlemen, this resolution was offered, I presume, to secure expression on Mr. Hine's paper.

Mr. W. F. Fox—

In furtherance of this movement, which is in the right direction, I would like to offer an amendment, if you will consent ; which is, that

enough copies be stricken off to give the Local Agents each a copy. We must begin to plant the seed down in the earth, begin with the Local Agent, let him have a copy to read, and he will agitate the subject with his neighbor and help secure legislation. Furnishing copies to the Insurance Departments is all right, printing in the newspapers is all right, but does not go far enough. I offer this as an amendment to Mr. Griffiths' proposition.

Mr. Griffiths—

I do not know, Mr. President, that I am in a condition of mind to accept Mr. Fox's amendment. It would be a very good thing, of course, for the Local Agent to have a copy of the pamphlet, together with the several communications which Mr. Hine was kind enough to read, but when you take up the job of distributing copies to all the Local Agents in this great Northwest, you have taken quite a big contract.

Mr. Fox—

Let each Special Agent take out enough to furnish to the Local Agents in his field.

Mr. Howard Gray—

Mr. President, as I understand it, that portion of the original motion which calls for reference to the State Boards for the purpose of securing agitation on the subject, covers the whole ground. When this is done in State Boards, I think it will very soon reach the Locals. If it does not, it will be slower than most of the general insurance bills we have.

Mr. W. E. Page—

It occurs to me that Mr. Fox's suggestion is good, and I think that the printing of sufficient copies of this paper to send one to the secretary of each State Board, and the secretary of those different associations, is an excellent idea, and distributions should be made through that channel.

Mr. Chas. Lyman Case—

Mr. President, it appears to me that the purport of Mr. Fox's amendment will be accomplished without the passage of the amendment or the taking of the action implied in it. It is especially the intelligent and capable Local Agent whom it is particularly desired to reach. I presume that this paper will be published in the *Insurance Monitor*. All intelligent agents take the *Monitor*, therefore they will all receive a copy of Mr. Hine's paper.

Mr. T. H. Smith—

There is one thing here that we are about to lose sight of. Under our By-laws, as I understand, we have no fund to pay the expense of this printing. Our By-laws so stand, for the reason that a few years ago we found the printing of a special edition created some dissatisfaction among some gentlemen who favored us with papers and thought such discrimination was hardly warranted; hence, under the present By-laws, we have no authority to print special editions at the expense of the Association.

Mr. J. O. Wilson—

I would like to ask Mr. Hine if there would be any objection, in his judgment, to furnishing copies of the correspondence had by him with the different Governors (including the Governor of North Carolina). The advantage, if there were no objection, would be that the authorities of the different States would see the support that they already have in the expressed opinion of one and another of these, without which they might not be so prompt to act, and with which they would probably feel that they were in line with a large and growing sentiment in favor of the proposition. I think it would materially help the circulation and success of this document, if it were known by each Governor that these other Governors favored the plan.

Mr. Hine—

I would remark, in response to Mr. Wilson's query, that I have turned over the letters to the stenographer for the purpose of having those portions printed in the Proceedings. I will regard those as the property of the Association, and also other letters which I can furnish giving expressions of opinion from other Governors. If we are to do anything, we might as well do it in a thorough manner. I shall be the more gratified, because it will enable me, through this channel, to correct a great error that has been going around this broad land. The Governor of North Carolina *did* say what I have attributed to him.

The President—

You will allow me a word on this resolution. As I read it, gentlemen, this resolution contemplates the appointment of a member of this Association from each State to assist in securing such publication, and makes it his special duty to promote agitation. Mr. Hine will be very promptly supplied with the names of that committee, which will be very promptly appointed if this resolution is passed; and I take it

Mr. Hine can supply that committee with material to accomplish what this Association seems, by its remarks on the floor, desirous of doing.

Mr. Hine—

Mr. Chairman, if you will permit me, without obtruding too much in the matter: As remarked in the paper, it is one of my hobbies. It occurs to me that if I were to take the old pamphlet, so many copies of which have been distributed, and re-write it on the basis of the later statistics that have been secured, and then furnish that for general publication, it would carry rather more weight than the paper which I have read here to-day, because there is embodied in that pamphlet the draft of the law and various other details which could not be brought within the compass of the paper I read. Now, so far as expense is concerned, I will make you this proposal: if you will furnish me with the written wrappers and a penny stamp on each, I will furnish any number of copies of this remodeled pamphlet, not to exceed ten thousand, and will mail them from New York, or will send them to you to be mailed by anybody you may choose, to address them here. That will minimize the expense.

Mr. Fox—

I hope Mr. Hine's proposition will be accepted very quickly.

The President—

Are there any remarks on the resolution? Are you ready for the question, gentlemen?

No further remarks being offered, the President put the motion, which was unanimously carried.

Mr. Griffiths—

It seems next in order to appoint a committee from each State to assist in circulating this address.

The President—

I would suggest, gentlemen, that the selection of that committee will take some little time to cover each State, and I feel that it should be the privilege of my successor in office. If the body think differently, the appointment will be made during this session.

No exception being taken to President Eddy's suggestion, the appointment of the committee was deferred.

Mr. Fox—

Now, is it in order, Mr. Chairman, to accept Mr. Hine's proposition as to printing and mailing? If so, I move that it be accepted.

Mr. George H. Moore seconded the motion, which was carried.

Mr. T. H. Smith, as chairman of the committee to whom was referred the President's address, then submitted the following report:

#### REPORT OF THE COMMITTEE ON PRESIDENT'S ADDRESS.

MR. PRESIDENT, GENTLEMEN OF THE ASSOCIATION:

Your committee, to whom was referred the President's address, beg to report as follows:

We have heard with much interest the sentiments expressed therein, and as members of the field force, most cordially endorse the idea conveyed therein in more elegant phraseology, but after all meaning the same thing, that "we are the people."

To the suggestion of more rigid inspection we give hearty assent, and while at present we may not be able to employ actual experts for the various hazards encountered in our work, it will perhaps come in time if we will each of us follow the Napoleonic order "Forward! Forward!" and by keeping in mind that we are always students, so press forward in the study of the elements of hazard we meet, it may not be long before the practical results of expert work may be attained, and a corps of experts evolved from the field force. To this desirable end we should all work.

We believe fully that intelligent inspection of the cause of fires that have happened, by some official who should be free of the imputation that he was governed by pecuniary influence in the way of "salvage," thereby securing better coöperation from the community, would be an aid in its moral effect, as that unknown quantity, the moral hazard, may be largely influenced by moral forces, and we have all felt the difficulty that besets us in such investigations from lack of interest from the people at large, hence we would recommend that the members of this Association use their earnest endeavors looking to the passing in their respective commonwealths of a fire inquest law.

The comparatively new hazard of electricity is one fraught with great interest to the Insurance fraternity and the public as well, and is one that would seem to your committee to warrant special attention, and we would suggest the appointment of a special committee upon that part of the President's address, and while expressly disclaiming any wish to usurp the prerogatives of the Chair, we would suggest the

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name of Major C. E. Bliven as chairman of that committee, feeling that he, perhaps, as much as any of your members, has given the subject special attention.

In regard to high buildings: That they present a new element of danger no underwriter can deny; that the meeting of this danger is a question of grave moment, is also patent. This Association, in years gone by, has looked with some question on the merit of direct pipe pressure as a means of extinguishing fires when any great area of ground must be covered. Yet the "three-story fire departments" most certainly do not adequately protect ten-story buildings, and it may be that a direct pipe pressure is the thing we must come to. Something is demanded that will protect them, and your committee deem this matter of such importance that they would suggest not only as full a discussion of the subject as may be now, but that it be carefully thought over before our next meeting, and that, if possible, at that time, Mr. Musham, or some other equally accomplished fire fighter, be requested to present to us his views of how to meet this hazard. Has not the time come for us to make an extra charge for stories above an agreed standard?

Your committee feel a deep interest in the World's Fair, but in view of the fact that another meeting of the Association will be held before the Fair comes off, we would suggest that the appointment of a special committee be deferred till that time, and that meanwhile, should any action on the part of this Association be deemed important, that the Board of Directors be specially given full power to act.

We would recommend the appointment by the Chair, of proper committees to take suitable action regarding those of our number who have passed away during the past year.

In accordance with the suggestions of the President, we recommend that the Association take into consideration the reprinting of the remainder of the first ten years of the proceedings of the Association.

T. H. SMITH,  
C. E. BLIVEN,  
J. H. CASWELL,  
W. F. FOX,  
H. C. ALVERSON,

*Committee.*

Major Bliven—

Mr. Chairman, I wish to make an explanation in regard to the report of the Committee on the President's Address. Up to the time the



report was put in the typewriter's hands, I knew nothing of the contents of it from any personal reference to me, and while I tried, unsuccessfully, to get the committee to take my name out, I take this occasion to say that I do not think it is necessary to appoint any special committee in regard to electricity. That matter is having very earnest attention by other parties, as you know, sir, and a code relating to the wiring of buildings has just been promulgated, made by the best talent that could be obtained in this country, and it has also been published by the National Electric Light Association, and can be placed in the hands of every Special Agent, inspector and Local Agent, and while the code is not, perhaps, perfect, and will require amendment from year to year, it is the best code now in existence, and one that can be improved upon as occasion requires. While I appreciate the compliment paid me by the other members of the committee, without my previous knowledge, I would prefer that I should not be especially mentioned in that connection.

Mr. Fox—

I think that matter should be left to the discretion of the Chair, to name the committee and a chairman as well. I move that the appointment of the committee be left entirely to the discretion of the Chair.

The President—

Are there any other remarks?

Mr. Hine—

There is one point in Mr. Smith's report that induces me to come to my feet once more, if you will pardon me for getting up so often, and that is in regard to deferring the appointment of a committee as touching the insurance exhibit, if that is what it is intended to include, at the World's Fair. I have been having some correspondence recently with the officers of the World's Fair Commission, in which I suggested that there would be—there must be, it seemed to me—space called for by the insurance interest, in which to make an exhibit, and I got enthusiastic as I wrote, and said, if the insurance companies do not apply, I believe the insurance journalists will, and will build a building and have an exhibit of their wares, and if the insurance journalists back out, I have a great notion to undertake it by myself! That is somewhat more "cheeky" than prudent, but I make these remarks because I want to tell you what the official I wrote to said in response. Said he: "I would recommend you to make immediate application for space, if

you intend to do so at all." The application of which is, that unless we apply at a tolerably early day there will be no space to let. Applications are coming in for varying areas of space for every kind of exhibit, and to defer the preliminary arrangements for the appointing of a committee by this Association, if the Association intends to take any space whatever for an exhibit, would seem to me a fatal delay. It is simply the danger of deferring for a whole year the making of this committee and the taking of these preliminary steps that I desire to call attention to by these remarks.

Mr. R. J. Smith—

Mr. Hine has said what I wished to say much better than I could say it. If this Association, or underwriters generally, expect to take any part in the Exposition, their committee to make such arrangements should be appointed at this meeting, and not at a later date.

The President—

On this subject I would invite the fullest discussion, for the committee making the report seem to have followed somewhat the thought in my own mind, in the remarks that I presented to the meeting yesterday: that this body is a purely social body, not an executive body, and it is to look to the social treatment and the entertainment of our own membership and our own guests during that period, that this suggestion was first presented. It was not intended to assume, to displace, or to encroach upon the prerogatives of a committee which has already been appointed, two committees, I believe, Mr. Hine being chairman of one and Mr. Smith chairman of another, working in perhaps the same direction. I take it that anything in the way of an exhibit should come from some other source than this body. If, however, I am mistaken in my view, your discussion this afternoon should bring out what is the proper thing to do.

Mr. Fox—

Allow me to ask if it would not be well for this body, at this time, to have a committee of inquiry appointed to ascertain what has been done, or is proposed to be done, by the Local Association of Chicago. Perhaps they have done something, or perhaps the companies have. Let us have a committee of inquiry appointed, to ascertain and to outline a programme in which this body may co-operate with other bodies, if such action is being taken. I move that such a committee be appointed, to report to-morrow morning when we convene at 11 o'clock.

The President—

Would it not be as well to refer this whole subject to the incoming Board of Directors, to make inquiry and report at the next meeting?

Mr. Fox—

I think not, Mr. President, for the reason Mr. Smith has given—that time is of importance in this connection. Time is valuable. That committee of inquiry should be appointed, to report on what has been done and what is likely to be done.

Mr. T. H. Smith—

I do not know but Mr. Fox's views may be right, but your committee, in preparing its report, considered the matter somewhat carefully, keeping in mind that we are primarily a social body, and it was thought best to leave it to the Board of Directors; but in order that there might be no mistake about it, that they be specially instructed to take action on behalf of this Association, if anything comes up necessary to be done. We certainly are not, as an Association, in a position to ask for a building. What have we to exhibit as an Association? I do not see now, any more than I did when the report was made, that anything more is needed on behalf of this Association than to place the Board of Directors in a position to take action when occasion arises.

Mr. Fox—

As I understand, Mr. Chairman, you have stated that Mr. Hine is the chairman of one committee, and Mr. R. J. Smith of another, on different lines, looking to one result. Now, why not have a committee of inquiry as to what these committees are doing, and how we can co-operate with them, and instruct the Board of Directors.

The President—

We might instruct the Board of Directors to work in harmony with these committees.

Mr. Fox—

I do not think there is a person on this floor who knows what is being done, but we may know by to-morrow, if we make inquiry.

The President inquired if Mr. Fox's motion for a committee of inquiry would be seconded, but received no response.

Mr. R. J. Smith—

It strikes me it is hardly necessary at this stage of the proceedings. I submit that if the other members of these committees do not know

any more about what is being done than I do, certainly the committee of inquiry which Mr. Fox suggests would not find out a great deal; they certainly could not from me. Now, if this body authorize their incoming Board of Directors to do whatever they may think is necessary, their number is large enough, and they are men of sufficient discretion to do what is necessary so far as this Association is concerned. It seems to me that is about all that can be done by this body at present.

The President—

It strikes me, gentlemen, that this is about all we can expect to accomplish at this meeting. Are you ready for the question upon the adoption of the report of the committee?

The motion that the report be adopted was carried

The President—

Before adjournment this noon, I believe we decided that discussion upon the able paper of Mr. Crosby be taken up at an early hour this afternoon. Are you ready to proceed? The paper is now before you for discussion.

No remarks being offered, the President continued:

I trust that Mr. Crosby will not take it from the silence of the gentlemen upon this invitation, that his paper has not been favorably received. I have had assurances to the contrary during the intermission. It is possible that Mr. Crosby has made such a complete statement of the matter that there is very little to be added at this time. The remarks which Mr. Smith (I think) incorporated in his report indicate that we can consider these things in our State Board meetings, and, if possible, make experts of ourselves in our field work, in the special hazards with which we have to deal. Are there any remarks to be made on Mr. Crosby's paper?

Mr. J. O. Wilson—

Mr. President, I would like to say, concerning the paper of Mr. Crosby, that it is one of the best, in the selection of a topic for timely consideration, that I have heard in many a long day—one of the very best. Its treatment has that happy combination of theory and actual experience that gives it very great value. I do not know whether all the gentlemen here heard it as distinctly as he himself could have wished, but I am sure that if there is any modesty on the part of the brethren here in expressing their opinions, it lies in this fact—that a

man may well hesitate to speak, on the spur of the moment, on a topic of that sort, when it has been treated so acceptably in the manner that paper of Mr. Crosby's did this morning. I can only say, for myself, that I think it one of the very best and most timely papers I ever heard read before this Association. To me, it throws most practical light upon what must soon come to pass. What action this Association may decide to take I cannot say, but the paper itself is worth a great deal of consideration as to how a great difficulty can be overcome, and I am sure that Mr. Crosby need not hesitate to take away with him the heartiest thanks of this body for his paper.

Mr. H. H. Friedley—

Mr. Chairman, I would like to inquire whether there is provision made for extra copies of Mr. Crosby's paper?

The President—

Without special resolution, it will be printed only in the regular Proceedings.

Mr. Friedley—

In Indiana we would be very glad to have copies of that address at an early date. We have there a rather compact territory. A great many Special Agents live at Indianapolis and have charge of the greatest interests of the companies in Indiana, and we feel that we could use the ideas and suggestions made in this admirable paper with great advantage at an early day, and if Mr. Crosby would furnish us with a copy of it, we would be very glad to have it as soon as possible. In the Proceedings of the Association it may not be published for some three or four months after the meeting.

Mr. W. F. Fox—

I think the hesitation on the part of members present in responding to invitations to discuss Mr. Crosby's paper, comes largely from the fact that this is constituted as a social body, not an executive one, nor a law-making one, and perhaps we would be intrenching somewhat upon the prerogatives of others if we were to say that we approved this plan of appointing one expert to do the work of inspection. We can say it is a proper thing to do, but our superiors may say they do not think it is, and there we are, at a standstill. I think a sense of that fact is what keeps members back from saying what they think. It must occur to any intelligent underwriter that the present methods of inspecting business are very expensive, to say the least,

and not very satisfactory as to results. For ten Specials to examine the same risk in one day is nonsense. One man could do all for the ten companies; but that is our way of doing business. This body may recommend Mr. Crosby's plan as a very proper subject for consideration on the part of our superiors; that is all we can do. Perhaps every Special, reporting on risks to his own particular company, is as much alive to the fact that some one else might do his work better, as is possible for him to be, but that is the way the business is done, and it is not for him to say it should be done in any other way.

I think I voice the sentiment of the convention when I say that, while we approve of the methods Mr. Crosby suggests, we are powerless to put them into execution.

The President—

In bringing this subject forward, gentlemen, it was my idea, and I expressed it to Mr. Crosby, that it was hardly possible to have this body take any decided action, or stand, upon the matter. I simply told him that he was addressing a body composed very largely of active field men, like himself, in the profession. They were all members of State Boards, which were in a measure executive bodies, and if his remarks bore any fruit at all, it would be through these various State Boards coming into contact with the Specials. Are there any other remarks?

Mr. Crosby—

Just one word. I do not wonder at hesitancy in expressing opinion on the paper which I had the pleasure of presenting to you. The general ideas, I know, are not new to you; you must have considered them many and many a time. If we have been able to accomplish anything in New England, it has been very largely owing to the fact that we are very much concentrated, covering a small field, geographically, and it would be impossible to put the same ideas into operation in the great territory covered by this Association.

But we had to do something, or lose our bread and butter. The fact that last year the first-class Mutuals represented in Massachusetts and Rhode Island took five millions of premiums of first-class business, that the other Mutuals in New England, old-established institutions, together with these Manufacturers' Mutuals, wrote or received over a third of the premiums in New England, tells you what competition we have to meet from that source, and that is one of the causes which led

us to take up the question of sprinkler protection, and appoint our committee for that purpose.

I would add this: that we have brought before the consideration of that committee 965 manufacturing establishments; we have equipped over 500, and, with the exception of ten or a dozen, they are all in the Stock companies to-day. It is not an exaggeration to say that not one of these risks could have been insured in our companies had it not been for this organization of ours, and I think that our experience shows that, with a practical system of improvements and inspection, the Stock companies can carry these risks successfully, and as well as the Mutual companies. It is not necessary for us to lose our business, and I present our experience to you as suggestive, and for your information, without the expectation of your taking any definite action.

The President—

About a year ago it was my pleasure to visit, while in session, the State Boards of Missouri, Kansas and Nebraska. They had introduced an innovation in their proceedings at that meeting, which was, I will say, attended by 85 per cent. of their membership—the largest meeting they had ever held. The innovation consisted of the reading of papers prepared by a committee selected in advance. There were three papers read at that meeting, every one of them excellent papers. One of them, on the subject of the adjustment of losses, attracted my attention, and I expressed the belief that the party who delivered that address had taken one more step on the ladder of fame. In the interval this gentleman has taken still another step, in connecting himself with one of the most prominent companies in this country, as a field man. He had already been a field man with another company for a number of years. I invited the gentleman to read a paper at this meeting. He is with us to-day, and will address us on the subject: "As to Our Honesty."

I have the pleasure of introducing Mr. Seth W. Eggleston, of Kansas.

#### AS TO OUR HONESTY.

Mr. Eggleston—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

You all know that nature grants a monopoly to parents in the naming of their children. Cleveland named his baby Frances. My

parents, seeing me such a weak and puny infant, thought me too feeble to burden with more than one name, and they called me Seth. Being tolerably well acquainted with the President of this Association and with the Secretary and Treasurer, I cannot think how they re-christened me in the afternoon of life, but I find this programme reads, Seth W. Eggleston. Seeking for a cause, of course you will attribute it, with all these newspaper men around, to the intelligent compositor, who, looking at the "copy," said: a gentleman belonging to such an influential company, and appearing before such an intelligent audience, must have more than one name, and looking at the title of my paper, babbling tales of childhood recurred to him, with visions of cherry trees and hatchets, and he made a grab at the upper case and divorced my name with that time-honored "W."

Several thousand years ago, it is taught, and many believe, there were handed down from out the mists on Sinai certain tablets of stone on which was written, in substance, "Be honest." At an early age I learned the words and, as the rolling years went by, sought honesty in man.

Yesterday a friend of mine jokingly said, on learning the subject of my paper: "Avoiding extraneous matter, you'll exhaust the subject in a minute and a half."

Cervantes laughed Spain's chivalry away. Have we in part, or is there danger of our laughing away our honesty?

Being asked to write a paper for this meeting on "some live subject," I could think of none better than "As to Our Honesty."

What is this honesty? It is said to be veracity, justice, plain-dealing, integrity, uprightness. What is the standard? ask all—and that's the rub, for it is such a subtle substance that we can neither measure nor weigh it. We can get at it simply by comparison. Some say it's example; others, it's fear or custom. I say to you that, taken in its fullest, fairest sense, it is unselfishness. As insurance men, do we need it, and have we got it in a proportion equal to the balance of mankind? Should we accept judgment from the general public, legislatures, courts of justice, and a portion of the public press—largely unintelligent—about our business, we would quickly say the quantity was lacking. To look at the matter in a way common to humanity, we might say we possessed honesty in a large sense, for, by comparison, we need not hide our heads. Does not our experience satisfy us as to this? Let the field men answer. Who among us, when he goes forth armed and



equipped with "proof" blanks and a loss report, and finds an honest man holding our policy, does not feel the genial warmth of unexpected pleasure titillate his inmost being? Not that "the assured" is commonly a rogue; nay, integrity in business demands insurance to the full. The sifting comes among the owners of "ruined hopes" and varying quantities of *debris*. There the Adjuster finds the problem of my text confronting him with everlasting pertinacity. The gallant "Special" strikes it in different attitudes as he wanders to and fro amid the labyrinths of the Locals. And back of all, the Manager sits with his mental telescope and scans, with astrological eye, the probabilities. To him, no less than to the invisible company, the question comes "As to Our Honesty," and its answer means *all*.

In my insurance life I have discovered, I think, that it is the intention of most engaged in the business to be honest. I have also discovered that the bulk of the departures have been caused by lack of faith. We have hedged the business around with every precaution born of this total lack of faith in our fellows. How different it seems from what history tells us of the olden times when honor was the *sine qua non* of character! People then relied on the stars to guide their paths, while we, with earthward vision bent, depend on guide-posts. I sometimes feel that I am very mean and dishonest, but try to justify myself by—"You are seldom lonesome in your environments."

After all, the ancient saying, "Honor and honesty among thieves," is simply a rough way of stating a sterling truth. Put faith in your fellow and he shall repay you in good coin, even if he issues a false one to the next comer. Who shall set a limit to the influence of a human being? In the cold world of fact, we know that the possibilities of the forest lie in the acorn; the question of food for the millions, in the apparently insignificant grain of wheat. In the world of warm morals, why may not Arcadia lie buried beneath the smallest honest act? We judge actions at too close quarters. We do not see things at a sufficient distance. If we did, many a man's life which, in its single acts, appears crooked, would, like one of our air-line railroads, appear straight beyond the average—a deviation here and there because of a hill not easily climbed, or a stream hard to cross; but straight ahead lies his goal. What if he didn't climb our hill or cross our stream? Suppose Christ and Washington were honest, did they exhaust the supply?

Thinking of things so vast, gentlemen, is apt to cause the thinker to deviate also; but while these sentences, so sententiously enunciated,

may seem to resemble somewhat my air-line *simile* in their zig-zag course, the truth, like a train of thought, runs through them all. Seneca says that he who hath a great way to go must expect to slip, to stumble and be tired. He must have had this paper and this crowd in his eye when he said so.

By a great many thinkers life is considered mean and common—that the present age runs riot in all manner of infamies; that goodness is only to be found in the past. Tell me the meaning of life, and I will tell you why it is that things look so crosswise. Every man has an ideal, if he could only find it. If we could but consolidate our ideals and make of them a composite community, what would be the effect as to our honesty?

Heber Newton says :

The opening of our first century was an age of great men. The ending of that century seems to be an age of little men. The stately forms of Washington, and Hamilton, and Jefferson, and Franklin, appear to dwarf the leaders of to-day. The opening of our first century seems to us to have been animated by a fine and lofty spirit. Society was simple. Money counted for comparatively little. Men were sealed by other weights than by shekels. The close of that century is animated by a spirit by no means so noble. Money-making has become the supreme concern of our people. An aristocracy has grown into existence, created not by letters patent but by bank checks. Business ideals have lowered and corruption has grown rife, and public life is entered for the sake of the pecuniary opportunities it affords. Legislation is controlled largely by the power of the purse. Idealism has gone into a decline.

Alas! for the rarity of Christian charity. But does he speak that which we do know to be the sometime fact? If so, is it not possible that insurance-wise we can reverse this tendency of the times and, by persistent effort, cause the star of our reputation to rise higher and higher until there be not one false light in its shining? But where should we begin? With the companies, the public, the Local Agents, or the field men?

Dishonesty, it is said, is born in men. All of us, at our best, are simply artificers, making a crutch here, placing a splint there, a plaster-cast to encase some unfortunate. If he has a crooked leg, guide him along a bad path. If he has a bad eye that prevents him seeing the right road, he needs an eye-glass, and we should give him one. If he has a rubber backbone we must vulcanize it. Some pessimists would make this out to be the condition of our modern morals. They contend there was but one honest man, and he was crucified so long ago it is only a memory. Even nature is not perfectly honest; she is always

trying to fool one, and it's a smart man, indeed, who can always tell as to the clothes he should wear. It's a queer world, my masters. Did I possess a telescope of such peculiar power that it could see into the heart and mind, how very interesting it would be for all, if I should throw aside these imperfect sheets and read to this audience the things I would see. How many of us are there that would willingly bear such scrutiny and unlock to the world our every business thought? I might find a Special who had it in his heart to tell a Local Agent that the 15 per cent. agreement was simply a matter of form, and veering my glass, find a Manager who was willing to forget that one was not sent in. We may be very honest with the public, but dishonest with each other.

It is probably an admitted fact that primitive people, leading simple lives, have been a very honest race; and I have sometimes thought were I a compact manager of all the managers, officers and specials of all the companies, I would contrive for the right of entrance in every place to a vast wood, and at regular periods all should go at night, and, like these primitive folks, look at the stars through the boughs of the trees, and get closer to pure nature in the glances of the stars and the whispered talk of the rustling leaves. It would do us good. It would bring us closer together, and in this communion of the spirit we would learn to gather that cohesion which we need and is essential to the greater success of insurance as a business. A house divided against itself is in a fair way to fall, either before or after a fire. The public generally, in the abstract, gets its ideas of dishonest tendencies on the part of underwriters more from the deceit practiced by competing and dishonest agents, than from its own personal contact with us when disaster, under the ægis of a policy, puts us to the test. In honesty, like rates, each man for himself would be willing to be honest, as each company would be willing to keep up rates, did assurance come that all the rest were doing the same thing. And yet, if the good people were not deceived and persecuted by dishonesty, would they not miss their full development and become a gang of milksops?

One of the prettiest pictures handed down to us, is that of Penelope weaving the shroud of Laertes by day, undoing her work at night, delaying, putting off her many suitors, and praying and looking, till eyes grew weary, for the coming of her royal sailor husband. We moderns might say she cheated.

We are on the level of the general business world—no better, per-

haps, certainly no worse, than our fellows outside the pale of the insurance communion. Absolute dishonesty is force on a big spree. It makes us drink with it occasionally to get away. We don't like it and it never pays; the barkeeper even is a loser. If the very honest business men of the earth would only bare their arms, open a large artery and send coursing through the veins of their weaker brethren so much honest blood that all of the impurities in theirs would disappear, how happy we would be! Then could we exclaim: "O Mighty Creator, we have all the good there is; teach us to see it!"

He had been talking with St. Peter and was sent down to the other gate, where he was warmly welcomed.

"Why are you here?" asked the fallen angel who stood guard.

"I don't know," he replied. "I never did any wrong. I never said an unkind word about a person in my life."

Then the angel smiled. "That's all right," he said; "come in. You will find the cage for the hypocrites at the end of the lower corridor next to the furnace."

I would rather see a strong man in the wrong than a weak man in the right, for a favorable gale will sooner or later strike him, and—holy smoke! what strides he'll make and how quickly he'll distance the other fellow. A community is known by its public servants; an insurance company by its officers and agents. Remember Themistocles' syllogism:

My infant son rules his mother; his mother rules me; I rule the Athenians; the Athenians rule the Greeks; the Greeks rule Europe and Europe rules the world.

Let us each strive to be like that infant, for the common good and the upholding of honorable dealing. And we had better whisper our commandments often and say with the poet:

In men whom men condemn as ill  
I find so much of goodness still;  
In men whom men pronounce divine  
I see so much of sin and blot,  
I hesitate to draw a line  
Between the two, where God has not.

The President—

I thought one apology, which I had to make, would suffice for this programme, before Mr. Eggleston called my attention to another. I think the error, in his case, is perhaps chargeable to the handwriting with which the printer had to deal. The "W" slipped in, in this case,

unintentionally. In the next paper we have also **made a blunder**, and some one will have to stand the responsibility for that. **The paper** to be delivered by Mr. Page is upon the subject, "Insurance as a Profession *vs.* Insurance as a Business."

I have the honor of introducing Mr. W. E. Page, Special Agent of the New York Underwriters' Agency.

## INSURANCE AS A PROFESSION

*vs.*

### THE INSURANCE BUSINESS.

Mr. Page—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

The distinctions we wish to trace in practices that may commend themselves to followers of the insurance vocation can be clearly distinguished by contrasting them on the basis of "Insurance as a Profession" and "Insurance as a means of financial gain through methods of barter and trade."

Every high-minded man is influenced more or less in his course in life by a sincere desire to so conduct all his transactions, whether civil, business or social, that he may prove a benefit and a blessing to his fellow man and in some degree modify the hardships of his neighbor, which, under present conditions, bear severely on the favored, to say nothing of those enduring the common lot.

No calling presents grander opportunities for practical application of those principles that will result in "Peace on earth and good will toward men," than ours, and bearing in mind the divine law expounded by earth's greatest Philosopher and only Redeemer, that to "whomsoever much is given, of him shall be much required," we should be anxious, first to ascertain our exact responsibilities, and then manfully to discharge them.

The theory of indemnity through fire insurance rests on the broad philanthropy of distributing the effect of the misfortune of the few among the many, and in the degree that each follower of the profession enters honestly into this benign and fundamental spirit of his calling, in just so far does he contribute toward elevating it from the plane of sordid self-seeking to the grandeur of a walk in life where the higher aims and motives have play.

Fired by the noble purpose to thoroughly and honestly perform his

entire duty, and impartially to serve the various interests to be confided to him as arbiter when he shall have attained the position sought, the young votary will diligently study his profession in every department, acquainting himself with its intricacies in all, and perfecting himself in the one where he finds his particular usefulness. Those further advanced will be sustained and encouraged in their course by reaping the sure fruits of their fidelity to the principles of equity and righteousness.

Companies will realize that the experience of each gives information for all that must be treated as a trust, and through which, by proper coöperation and tabulation, the loss ratio on each class of property can be closely ascertained. In turn this will lead to the development of methods to reduce the loss percentage, not only by improvements in construction and care, but also in the reduction of incendiary fires, which at present, aided in part by individual greed of companies and criminal carelessness and duplicity in the handling of adjustments, are far beyond all reasonable bounds. The general experience with all hazards being intelligently and accurately classified, proper schedules, from which to rate all risks, will be promulgated, and one set of property-owners will not be charged exorbitant prices, while another reaps the benefit of absurdly low and suicidal rates.

Managers will avoid personal advancement through questionable expedients, and will unite in honorable and just means for the advancement of common interests. Thus justice, faithfulness and equity will be the rule in all their transactions.

Special Agents—those with whom we have our walk, and whose experiences we share—will be led to more carefully study and scrutinize the various hazards peculiar to, and general in, their fields; will intelligently point out defects, and suggest improvements to principals and patrons. Each class of hazard will prove a fruitful field of research, from which the intelligent student will gather laurels, and be spurred to greater zeal and faithfulness by the realization that in the degree he has enabled the property-owner to reduce the hazards of his risk, in just so far has he improved the conditions of life and benefited his generation. His relations with agents will rest on the foundation of good character, knowledge, and ability to justly enforce right principles, that the varied interests of the company, the agent and the patron may be properly subserved. In case of loss, his aim will be to ascertain the rights of not only his company, but also of the claimant, and, in honorable claims, to guard the assured's interests as loyally as those

of the company he serves. His relations with his associates in the field will be founded on good-will, honor and fidelity, and methods for the advancement of his company's or his own interests at the cost of perfect good faith will be spurned.

With our profession conducted by honorable men on these beneficent principles, we would have less to fear from restrictive legislation, for, discharging our obligations in justice and equity, reasonable regulations could not harm us, and other laws would not be invited.

OR, ON THE OTHER HAND,

considering insurance merely as a "means of financial gain through methods of barter and trade," each company will look at its experience-tables as private property to be manipulated for its own aggrandizement. Coöperation will extend only so far as self-interest seems to demand, and only so much information will be given associates as appears to be necessary to serve the selfish end sought; partial knowledge given under such suspicious circumstances begets but little confidence and confines organization to narrow and conflicting lines, making compromise the means of perpetuating the Association, and forcing right and principle to the background. Hence any real advance that may be made in the care of the interests of all will be largely in spite of, instead of by means of coöperation, and due to the general spread of intelligence on lines greed cannot arrest.

Managers that have "axes to grind" will not fail to construct "wheels within wheels" whereby they may profit at the expense of those who stand up squarely to their agreements, and a "rule or ruin" policy will be developed, and, where possible, be put into effect regardless of moral scruple wherever there is a show for gain.

Special Agents, aiming to build themselves and their companies up rapidly, will become imbued with a time-serving spirit. Profitable information regarding hazards and their improvement will be at a discount, and when obtained will be held back for private ends. Relations with agents will rest too much on ability to construct schemes to over-reach associates and competitors, or on personal qualifications that unfit the Special for, and in the end cost him, his position. Honest losses will be handled too often on the basis of "we have the money and you the claim," and while "our money is good" it is "hard to get." Questionable claims in the hands of unscrupulous and powerful parties will be too frequently hurried to an improper adjustment through secret and questionable means, proper methods and honorable

Adjusters be sadly discounted, and the profession made a by-word in the mouth of a deceived and indiscriminating public. Envy and strife will be aroused, and result in confusion and much evil work. Through these varied influences public antagonisms will arise and much harmful legislation be inaugurated. Unscrupulous methods will suggest senseless laws, and one bad state will superinduce another.

Even the casual observer must be impressed with the fact that while much that tends to elevate insurance to the ranks of an honorable profession now obtains in its management in its various departments, yet by far too many "barter and trade" characteristics—and those, too, of the meanest sort—are in use. It is these latter methods that are responsible for present demoralization and unfortunate conditions; a continuance of them will lead to worse and worse results, and unless radical improvements soon take place, a war of extermination between companies impends. The condition is developing in which "every man's hand will be against every man," when peace and comfort will be impossible. The inspired Word warns: "if ye bite and devour one another, take heed that ye be not consumed one of another." The warning is applicable and logical, and happy will we be in our profession if we be guided by it. Reform must be an individual matter, and must include the head as well as every other member of the insurance body. Therefore let each member of the profession take to himself the divine injunction: "Let not mercy and truth forsake thee; bind them about thy neck; write them upon the table of thy heart: so shalt thou find favor and good understanding in the sight of God and man." Thus reasonably and in equity, each one may look not only to his own interests, but also to those of his neighbor, using wisdom, justice and mercy, and by these being equipped to cheerfully endure the hardships that may be imposed by unfavorable conditions beyond his control.

Our good friends, the Local Agents, as members of the great insurance family, cannot be overlooked. They are all subject to the same influence which affects Presidents, Managers and Special Agents. Until the fountain is made pure, we cannot expect them to be immaculate. As long as unjust and inconsiderate measures are insisted upon, and secret means used to nullify existing regulations, there will be discord, giving rise to and justifying distrust and resentment in the minds of the most worthy of these co-laborers. When the spring is made sweet, the bitter water in the stream can be sweetened also. The



agent can be reformed when his principal fully attains the true standard, since he but reflects the policy of his chief.

If we remedy the internal ills under which we suffer, we can more readily take care of the crying evils that prey upon us from without, and which in themselves are sufficient to discourage the stout-hearted, though they be the least of the unfortunate conditions against which we contend. And the influence of a constant, high-toned, honorable, just and considerate system in the insurance profession would, in itself, go a long way to remedy fraud and deceit in other lines, especially when directed against us.

Mr. Chas. Lyman Case—

In listening to the very thoughtful and suggestive paper which we have had from Mr. Page, one or two points have occurred to me as seeming personal to the subject. It will only take a moment or two to make the points I wish, and the first is, that this paper, admirable as it is, receives additional weight because of the fact, known to every one who knows Mr. Page, that his theories and his practice are strictly concurrent.

The next point is, that all the distinction of a profession, as compared with a business, is this: that a profession implies some especial knowledge and attainment which is to be used for the benefit of society in general, as distinguished from any purely business occupation, which has for its object the accomplishment of individual gains only. Thus the law, medicine and theology were formerly, but I think are no longer, regarded as the only professions, because of their special reference to mankind. Another thought that has come to me is this: that, after all, it is a personal matter with each one of us whether insurance shall be a profession or a business. I apprehend that the doctor has to decide whether, by preying on the weaknesses and credulities of mankind, or by giving his whole life to the alleviation of suffering, he will dignify his work into a profession. I fancy that even the noblest profession, that of divinity, has many temptations for its followers to get on comfortably with all the "old women," male and female, in the parish; but I imagine that as the pastor rises above these temptations to some loving words of correction and counsel, he realizes the true dignity of his profession. So, if we are living in our profession for the most money we can make out of it, "for revenue only," insurance will become to us merely a routine business; but if we understand the scope of our profession, a sort of a bearing of one

another's burdens, then it may become a profession, a dignified and important profession, one which will call for all the patience, all the tact, all the endurance, all the judicious fairness, all the kindly toleration that we possess, or that we can acquire, and possibly sometimes, even then, we will wish we had a little more.

The President—

It should be our pleasure to stop a moment at any stage of our proceedings for the purpose of extending the privileges of membership in this Association to all applicants for the same who may be eligible. I will therefore ask you to consider the following names of applicants for membership :

(George F. Bissell, General Agent, *et al.* See full list of new members in these proceedings immediately following list of members present.)

It was moved and seconded that the foregoing list of names, which was received with much applause, be unanimously elected, the Secretary being instructed to cast the ballot of the Association for same.

The motion was carried.

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Mr. I. S. Blackwelder—

If it is in order, the report of the Memorial Committee on the death of Frank Boughton will be submitted.

#### REPORT OF COMMITTEE ON THE DEATH OF FRANK SHERMAN BOUGHTON.

FRANK SHERMAN BOUGHTON was born in Brooklyn, N. Y., December 16, 1864, and died in Chicago, May 11, 1891.

He first engaged in Fire Insurance business with Mr. J. O. Wilson, then General Agent of the Union of Philadelphia and the Star of New York, and for the last six years was connected with the Niagara of New York as an examiner of daily reports and as Special Agent in charge of an important field.

Mr. Boughton possessed a keen analytical mind, excellent judgment and a phenomenal memory, which, combined with great industry and practical good sense, eminently fitted him for the responsible positions which he held, and the duties of which he always discharged

with the utmost fidelity. His kindness of heart and his unfailing courtesy to his associates and to all with whom he came in contact, endeared him to a wide circle of friends, who mourn his early departure with a sense of personal bereavement.

His life was noble, true and gentle, and gave much promise of future usefulness and even distinction, for he had qualities of head and heart which would surely have won for him a high place had his life and health been spared.

It is fitting that we pay this tribute to his character and memory, and point to his example as one worthy of emulation by every young man who would make a success in life.

Your committee respectfully recommends that a page of our records be set apart for a suitable memorial to Mr. Boughton, and that a copy of this action be furnished to his parents.

Respectfully submitted,

I. S. BLACKWELDER,

Oct. 8, 1891.

M. H. N. RAYMOND,

*Committee.*

Mr. J. O. Wilson—

A great many good men connected with our Association have passed away after their labors, but I question whether in the history of this body, now or in the future, we shall have occasion to speak of a more remarkable person than young Mr. Boughton. I think it was in 1878 that, in answer to an advertisement, a little lad came into my office with his father to apply for the situation of office boy. He was marked by great refinement of manner, slender in form, very bright in his personal appearance, and with a wonderful air of self-respect about him that was very unusual and mature for a mere lad. He took his place with me, and from the beginning exhibited phenomenal qualities. I presume he was hardly known to many of the older members of the profession. They may have passed and repassed him on the streets here hundreds of times and, perhaps, the wisest and best of our profession scarcely knew there was such a person. He stayed with me seven years. His spirit was uniformly elevated. He never had what we call a lad's love for pleasure in any form. He never had any enjoyment, apparently, in any of the questionable sources of amusement which are open to and sought by the average young man. His pre-eminent love of business, his exceedingly wonderful memory made with him an instinct and an intuition what was with most peo-





FRANK S. BOUGHTON.

**In Memoriam.**

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**1891.**

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**Frank Sherman Boughton**

**CHICAGO, ILL.**

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**Special Agent Niagara Insurance  
Company of New York.**

---

**DIED MAY 11, 1891.**

**AGED 27 YEARS.**



W. S. GILTON.

**In Memoriam.**

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**1891.**

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**Frank Sherman Boughton**

**CHICAGO, ILL.**

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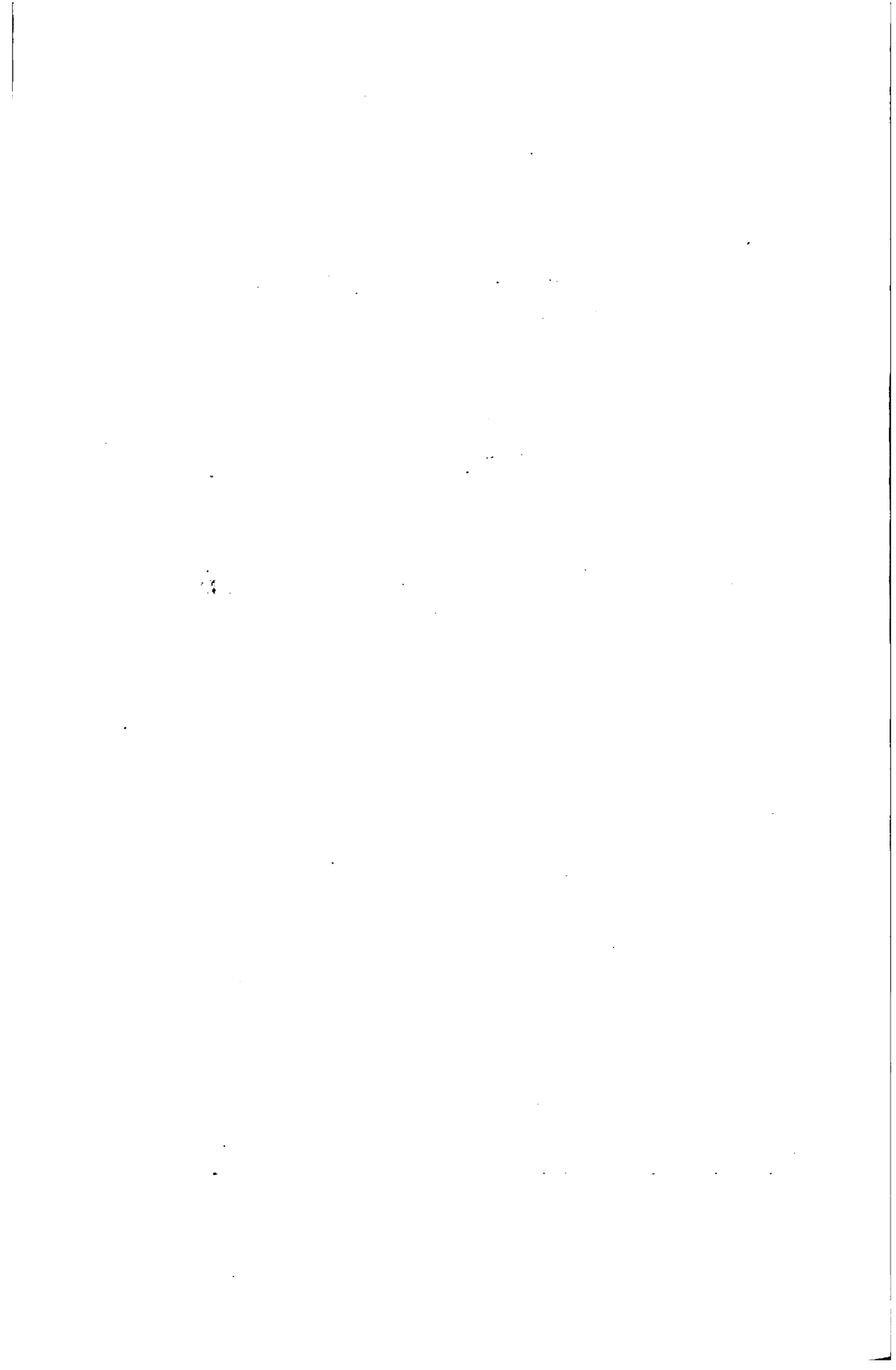
**Special Agent Niagara Insurance  
Company of New York.**

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**DIED MAY 11, 1891.**

**AGED 27 YEARS.**





ple a matter of study and care. There was no duty connected with the office that he deemed beneath his exacting care. There was no work that he did which was not thorough. He made demands upon me constantly for the very best that was in me, and by the very best use of that thing he constantly increased that demand. It was not long before, boy as he was, he became invaluable. There was no trust that could be placed in him that he could be induced to violate, no duty that he ever shirked. In promptness, in punctuality, in neatness, in method, he was all that the most exacting standards could require. He was that three hundred and thirteen days in the year; he was that early and late. In a somewhat extended acquaintance with men, I have never seen young Mr. Boughton's equal. It is not for me to praise him for the gifts with which his Maker endowed him. He was a rare outcome of heredity and environment; but it is for me to testify to the unfailing and excellent use that he made of these things. In all this time the rarest deference to my opinions and my wishes, the most easy and consummate mastery of everything given him to do. Instructions need never be repeated to him. And so he went, at rapid but easy pace, through every branch of the business. There was nothing he would entrust to others which had been entrusted to him. I tried hard to interest him in the sports of current young society, but perhaps natural timidity induced him to shrink from them. In the course of three or four years there was nothing about the office that young boy could not do better than the average man. Call him up a year after examining a daily report or a loss record, and he could tell you unfailingly all the details you might wish to know. All this time his appearance indicated that he might not live long. He was of exceedingly fair complexion and delicate physique, and nothing about him indicated that he had much hold on life. I am inclined to think that much of the gravity of his manner grew out of the consciousness that he was the subject of an unrelenting disease.

When I made a change in my business, he went with the Niagara Insurance Company, and the manager of that company has to-day testified to his worth.

I saw him on the street a few months before he died, but there was no conscious expression at that time of more delicate health than usual. One morning in the spring, going down town in the street-cars, I saw in the papers the notice of his death and of his intended burial that day.

I went to the funeral services and saw his face as calm, and placid,

and beautiful as it had ever been, surrounded by gifts of flowers which testified of the love and esteem in which he was held by many. I can hardly realize that he has gone from us. Do you ask me if I deplore his going? Well, yes, for his lamenting home (and I know how great a light has gone out for that mother and father) I do deplore it. Do you ask me for his own sake? Well, I do not know. I love to think of Frank Boughton; I love to think of Jacob Peetrey, and the others of our number who have left us, some early in life, some after years of work; I love to think of them untrammelled in the enjoyment of that better land and better liberty to which I believe they have gone. Young Boughton died at an age when most of us had scarcely thought of beginning our business life. He had achieved a fair business success, and like some of those who have struggled along for years, he had contributed to the insurance profession and to the history of mankind that best gift of which a man is capable—a good character. We can but trust that it is best, upon the whole, that he had not to drag through a weary life, hunted down by his disease, which would never relax its hold. Can we doubt, remembering this, that it is well with him?

The memorial to Mr. Boughton's memory was adopted by a rising vote.

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#### The President—

The gentleman who is next to address us, occupied for a number of years the position of Insurance Superintendent of the State of Kansas, before he became the editor of the *Insurance and Investors' Magazine*, and by his vigorous methods of discharging the duties of his office, and by his thoroughness in dealing with any concern that was in any way questionable, and by his fairness in all matters pertaining to legitimate underwriting, and concerning insolvent institutions, has brought himself forcibly to the notice of all underwriters. I need not, therefore, spend many words in introducing to you our next speaker Mr. D. W. Wilder, of Kansas City, whose paper is entitled, "Random Remarks on Fire Insurance."

## RANDOM REMARKS ON FIRE INSURANCE.

Mr. Wilder—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

A few weeks ago the papers said that, in view of the advance of insurance rates in Dallas, Texas, the merchants of Dallas, Waco, and Fort Worth were organizing "a mutual or coöperative insurance company. Letters are being actively forwarded," the report said, "and a meeting looking to the formation of a formidable home company will soon be called."

No insurance man will throw a stone in the way of this "formidable home company." Let us suppose that this merchants' triple-city Texas company is already organized, and that each city has had a big blaze. Every director of the company has thus become an insurance manager and an adjuster of losses. He has assessed the loss damages that his Triple Texas must pay; that he himself must, in part, pay. It is the largest insurance tax that he has ever been called upon to pay, and his career as an insurance manager has been full of care and anxiety. This Texas merchant will go through life thereafter a greatly changed man; he has been an insurance company, he has been an Adjuster, and his solvency has been badly damaged by the assessment made to pay three big losses. Greatly changed is this insurance reformer, chastened—a broader and a fairer man. No more talk about exorbitant rates; no more cursing of Adjusters. He is willing to admit that the Adjuster is an honest man—a man of ability, of wide practical information; an indispensable man in bringing together the sufferer and the organization that relieves suffering, that mitigates the woes of the afflicted.

This merchant, moreover, who had put all of his eggs in the Triple City basket, immediately ceases to be an underwriter, to own a company, and to be an insurance reformer. He insures his stock of goods in regular fire companies. Presently he learns that his associate reformers have all done the same thing. The Triple City dies. Suits in court are all that is left of the "formidable company." The merchants who had fires are suing themselves for the insurance; the receiver is using every policy-holding merchant to pay assessments and thus settle the losses. And these suits will long adorn the dockets of the Texas courts. These merchants knew how to buy and sell goods;

that had been their life business. They did not understand insurance—a business as difficult and intricate, to say the least, as the grocery trade or the hardware trade.

These merchants, it may be remarked in passing, were not taxed by their city, their county or their State for thus attempting to insure themselves. They had the right to make the attempt. Everyone sees that the imposition of a tax on these merchants would have been an outrage. And yet, as soon as the Triple City dies and they insure in joint-stock companies; as soon as they pursue the course taken by all other merchants in all civilized countries, their city, county and State jump on them with a tax. This relic of barbarism died in England in 1869. It will die in America when the people at last appreciate the fact that the imposition is an imposition on themselves. What can possibly be more absurd than the increase of the rate of insurance on my house and my shop to pay for an unread and unreadable advertisement in all of the newspapers in a State? But more than one State imposes this tax. Why should a poor man, in paying for his insurance, have the rate increased to support schools? And yet some States do this. Why should he pay for the endowment of a professor's chair in a college—a professor to teach insurance—a practical business learned by hard knocks in the school of the world, and about which no professor ever did or ever will know anything practical? These taxes, impositions, upon insurance companies (I have not named the tenth part of them) amount to millions of dollars each year. They are paid at the point of the bayonet. "Pay, or off goes your head!" These taxes are levied on the whole people to increase the cost of insurance; to make insurance companies odious; to give the daily papers a chance to howl every day on the enormous prices charged for insurance. It is not strange that our language itself kindles into indignation and calls any needless, heedless outrage upon human rights and human nature an imposition.

When the tax on insurance companies was repealed in England, in 1869, the law had been in force eighty-five years. That tax, however, was levied by and paid to one government only. In the United States companies are supervised and taxed in about fifty States and Territories, and municipalities by the thousand tax them. Who pays the enormous burden? The policy-holder; he pays a much higher rate than his English brother. There is no supervision in England; no Insurance Departments to support. And yet England is not, never has been, overrun with dishonest and insolvent insurance societies as

we are here. Fire insurance companies in England are not required to publish their accounts. Some of the oldest and best companies keep their accounts strictly private, and have always done so. No annual statements. The annual statements written or printed by insurance companies and printed by Insurance Departments in this country would fill, packed closely, a vestibule train of half a dozen coaches. Who pays for the clerical labor expended in compiling them, for the cords of white paper used in printing them, and for the labor of hundreds of printers in putting them into type? Why, the policy-holder pays. And it is the strangest thing in the world that no reformer gets up in any legislature and exposes and endeavors to defeat this extravagant expenditure. Not one does. The so-called reformers make new tax laws every year. England endured this humbug eighty-five years. We are still piling on the taxes; have not once thought of reducing insurance rates by lessening the expense. The belief is universal that when we tax an insurance company we are beating the company, taking a sharp advantage over the company, hitting the company between the eyes, giving it a good dose, and making it come down. "It's a rich corporation; sock it to 'em; make 'em bleed." Sydney Smith said that the only way you could get a joke into a Scotchman's head was by a surgical operation. Not surgery, no scalpel can possibly make a hole in an American's head big enough to make him understand that every time he taxes an insurance company he is taxing himself, stealing money out of his own pocket. It takes eighty-five years, it seems, to work this simple fact through a national brain. It is a number to remember, like the Greek Olympiad, or the period required to make the United States understand that slavery did not pay. You might get up a table of these things: four days make one joke get through the average head; thirty years make Abraham Lincoln "the smutty joker of Illinois," the American citizen most universally respected and loved; eighty-five years convince the Englishman that it costs money to pick his own pocket; one hundred and fifty years gets the same fact through the United States' head.

Insurance managers and bankers may be compared to each other. The business of both is to collect, invest, and distribute the money of their patrons. In our day both of these agencies are indispensable. The ready money of the country is held by banks; the responsibility of bankers is very great. Their sagacity, conservatism and mutual helpfulness often tide the country over dangerous crises and save it from panics. For this exercise of coolness and discretion the bankers

receive due credit from business men, from men of ability, but none at all from the mass of the people. Banks are not esteemed by the masses. They pass resolutions threatening their destruction. In litigated cases banks lose verdicts which a private citizen would win.

Insurance companies are also public depositaries, custodians of funds. They are even more disliked than banks. In litigated cases the insurance company loses where even a bank would win. The juror may know a cashier or stockholder in a bank; may know all the stockholders. He probably never saw the officers of a great insurance company. The remote, unknown man loses the verdict. Insurance men, like bankers, are men of strict integrity. Considering the money handled and the interest at stake, it is an honor to human nature that there is so little dishonesty found among bankers and the managers of legitimate insurance companies.

The inclination of juries and of judges is to find the supposed rich man, the custodian, the corporation, guilty and make it pay. If there is any doubt in a case, the citizen who sues the corporation is given the benefit of the doubt. Men of brains do not serve on juries; they refuse to do jury duty. Rich men do not sit on the bench; they say they cannot afford to be jurors or judges. The men who control large sums of money are out of touch with the average jurymen. The jurymen pays in premiums for his prejudice just exactly what it costs the company to pay the judgment that follows his verdict.

The thoroughly popular man is the improvident man. The man who wastes his substance is always called a good fellow. Insurance managers know all of these facts, this prevailing prejudice, and they very rarely seek justice in courts of justice. The prejudice against corporations increases the rates; like the moral hazard, it loads the premium. The popularity of the spendthrift is not desirable. Popularity obtained at the expense of fair dealing, of courage, of habits of economy, is not desirable. And then, popular with whom, among whom? Shakespeare did not care to please the ears of groundlings, and Milton preferred a fit audience, though few.

Perhaps the chief cause of the unpopularity of insurance companies has arisen from the existence of tens and hundreds of bogus companies. These frauds and thieves, these liars and scalawags, have all borne the name of insurance corporations. The people generally, and the daily papers, have not been able to discriminate between the genuine and the spurious, and the word "insurance," in narrow minds, has become almost synonymous with fraud and crime, with cheating, delu-

sion, deception, and robbery. Just think of the blunders and crimes committed in the name of insurance! They need not be repeated here, but there was never a greater harvest of "insurance" swindles, so-called, than that reaped in our own country during the last three years. The men who have pushed these schemes are creatures of every conceivable type of mendacity and meanness; men by the side of whom a pirate becomes a high-toned gentleman, and the thug and sand-bagger a meek and lowly Christian. They have been as numerous in the enlightened East as in the benighted West. Legislatures have, in many States, done the bidding of these thieves.

A member of a legislature believes that a successful, established insurance company should be taxed, hampered, tied up with unfriendly laws; he will not listen to the *truth* from the representatives of such a company. But the legislator lends a willing ear to every adventurer who has a new insurance scheme that he seeks to have legalized—a very strange fact, but a fact none the less. The spirit of legislation in many States seems to say this: "These solvent, reputable men, men of experience and integrity, whose lives have been devoted to insurance, I will tax and embarrass in every conceivable way. These strangers, these adventurers, whom nobody knows, who have no reputations, these persons I will listen to. Their new plans, new to me and to all men, not tried and tested by experience, I will enact; their bills shall become laws by my voice and vote." The laws are made.

Laws, laws, laws! And it is difficult to repeal these laws. The swindle that took the name of insurance goes on and does its work until the inevitable failure comes, the law remaining all the while on the statute book. The scoundrels are unmasked and their game played out by the omnipotent and irreversible law of nature—the law that stealing is a crime, that dishonesty is weakness and death, and by the eternal truth, that all of the human enactments of every legislature on the planet cannot make rascality successful.

Insurance, however, in some minds, in very numerous alleged minds, has had to bear the odium of all this scoundrelism. These "minds" now have "lecturers" in the field, brother Spriggins and sister Simpkins, who are engaged in a "campaign of education," so-called. These "minds" of the brothers and of the sisters are telling the "minds" that flock to hear them that corporations are iniquities, that insurance companies are monopolies, that banks are nuisances, and that silver and gold are delusions and follies. They are after more laws. Dollars can



be made by law, insurance can be reformed altogether by law—brought to every man's door and handed to him on a fiat silver platter. These people must, of course, have their day. Every dog has his day; but the day of the sons of dogs has been a good deal more than twenty-four hours long. By and by it will become generally known, let us trust, that a false system does not become a true system because a hundred men meet in a legislative hall, write it down in a bill and vote it into a law.

Every solid insurance company in the land would go on doing business and paying losses if there were no laws at all, and insurance would cost the people one-third less. One-third of the expense of insurance should be charged up to ignorance and prejudice as they are exhibited in legislation: in the tax laws, the repressive laws, the sumptuary insurance laws—relics of barbarism every one, based upon false ideas of the functions of legislative bodies; of the scope and sphere of law itself. The unwritten law, the law of trade and of business, the law which has grown up and been made by human experience, should and would control insurance operations and greatly reduce insurance expenses, if the ignorant and rapacious legislator would keep his hands off and give common sense, common honesty, commercial enterprise, and commercial integrity a fair field and no favors.

The other night I *dreamed* of meeting an insurance man in New York. He said he wanted to advertise, and he had hunted me up; had walked from the Brunswick to the Bite Tavern to find me; he wanted forty pages in the November number, and would take a hundred thousand copies of the paper. "The Chicago Insurance Company," he said, "has been in business ten years. It does all kinds of insurance, and is the only large and successful insurance company that the world has even seen. We began with a capital of a hundred millions, and we do business all over the globe. Up to our time," he continued, "only one man had ever thought of advertising an insurance company. That man was J. B. Bennett, a branch manager of a fire company, who spent, perhaps, three hundred thousand dollars in advertising. It was nothing, but it made Bennett immortal. Our company began by spending ten millions annually. You can do nothing in this world unless you are known; known to every man, woman and child under the sun. Then you can do anything, everything." The Chicago man raised his voice to so high a pitch that I woke up. The dream was over. Nothing but a dream—a Chicago dream.

It will not be strange, however, if the Chicago spirit, vim, enterprise, either in this town or in some other, shall remove insurance advertising from the list of lost arts. Some Manager or President may yet take lessons from J. B. Bennett and Robert Bonner, from the soap men, the pill men, the Kodak man, and the Fairbank lard man. Some cool-headed, far-seeing man is almost sure to do this, expending millions and receiving millions in return. We read that a certain sower went forth to sow. Some seed fell by the wayside and the fowls of the air devoured it; some fell upon a rock and it withered away; some fell among thorns and they choked it; and other fell on good ground, and sprang up, and bare fruit a hundredfold. "And when he hath said these things he cried, 'He that hath ears to hear let him hear.'"

Fire insurance is based on men and the knowledge of men. Knowing how crooked many men are it is surprising that insurance is so straight a thing as it is. You insure men, adjust men. Men are the incendiaries whom men, the jurors, acquit. That man with the hyena's brow, the watch eye, and the shark's mouth, is a member of the City Council; in the winter he serves in the legislature. He thinks he is exploiting the insurance companies; he is only robbing his neighbors. Look at him! He wants to be seen. Nearly every man you meet has some relation to insurance. The insurance man he sees them all, raises or calls them, and he sizes them up. As he knows and deals with men his company is a loser or a winner.

Sir Robert Peel said a good many years ago that there is no such thing as disinterested benevolence. Perhaps he was right. It isn't a big crop, anyway. It don't average a hundred bushels to the acre. Nobody has made a pauper of himself by giving all his goods to the poor. But there is as much disinterested benevolence among insurance men and insurance companies, as much in the ranks of the field men and the Adjusters, as there is in dry goods circles, in the grocery line, in the hardware trade, and in the prescription drug stores. The insurance men take the curses, the meek and lowly Adjuster submits to the abuse, while the great and good agriculturist sells all that he has, on a valued-policy, to the poor insurance man for cash, with a great deal of grumbling thrown in, and no gratitude at all. Business is not based on benevolence; nobody asks that it shall be; it is a bird of another color. Insurance men ask for no pity, no sympathy. They don't whine or snivel. They are true to their contract, and only ask that the other party shall be true to his; take his medicine like a man. The

world has never seen such an instance of taking medicine like men as it saw when Chicago was burned, and insurance men came here and stood in the ashes and on the hot coals and paid the money to make a new Chicago. In this city it ought to be treason to assail the insurance interest. And I guess it is. The insurance interest! Why, it is one of the great forces of modern life—a component part of civilization and modern society. The business of the modern world could no more exist without fire and marine insurance than it could without stable governments, without that faith of man in man, that confidence in human integrity on which credit is based, by virtue of which bills of exchange are drawn from the most remote points on the globe and honored at the instant.

When the English-speaking race reached all the continents and the islands of the sea, encircling the world with civilization, an indispensable link in the chain of commerce was marine insurance. After Liverpool and London came globe, as fact and not fancy, and the only "parliament of the world," the only "federation of mankind" yet witnessed has been the hand-in-hand grasp of insurance which binds together in bonds of friendship and commercial union all of the mercantile interests of the planet.

The President—

Gentlemen, I have received a few communications, which I will read for your edification :

ELKO, NEV., October 8, 1891.

H. C. EDDY, ESQ., *Commercial Union Ins. Co.*

Please express my regrets. Cannot reach in time for meeting.

G. F. C. SMITH,

*Manager L. & L. & G., Montreal.*

TORONTO, ONT., October 8, 1891.

H. C. EDDY, ESQ., *President Fire Underwriters' Association of the Northwest, Chicago :*

Congratulations by Canadian Fire Underwriters' Association and Toronto Board of Fire Underwriters, to their brethren now assembled in annual meeting at Chicago, and trust they will have a pleasant and profitable meeting.

ROBERT M. McLEAN,

*Secretary.*

The President—

Our next speaker is not a stranger to all of us. He has lived in Cincinnati for a number of years, following the practice of law and adjustment of losses. He is now living in Denver as a General Adjuster. I have the pleasure of introducing Mr. Sylvester G. Williams, General Adjuster.

PAUL vs. VIRGINIA.

(*10 Wall., 168.*)

Mr. Williams—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

Bernardin de St. Pierre has united the names of Paul and Virginia in a story so beautiful and touching that we naturally anticipate in any association of these names some dramatic incident with a pathetic sequel. We are not unprepared, therefore, to find in the version of Paul and Virginia, as told by that entertaining and romantic historian, Mr. Wallace, in the eighth volume of his *United States Reports*, a story which has become a classic in the literature of Insurance, a pathetic tale over which generations of insurance companies have wept bitterly.

Familiar as the story may be to many of you, I have thought that some of its details might be repeated without weariness, as we never grow altogether tired of a good thing, and this story is one of the best that Mr. Wallace has given us.

An act of the legislature of Virginia, February 3, 1866, provided that no insurance company, not incorporated under the laws of Virginia, should carry on its business within that State without previously obtaining a license for the purpose, and that it should not receive such license until it had deposited with the treasurer of the State bonds of a specified kind and amount. A subsequent act declared that no person should "without a license, authorized by law, act as agent for any foreign insurance company," under a prescribed penalty, and that every person offering to issue, or making any contract or policy of insurance for any company created or incorporated elsewhere than in the State, should be regarded as an agent of a foreign insurance company.

The reporter of the now celebrated case which forms the subject of this paper, says that "in May, 1866, Samuel Paul, a resident of the

State of Virginia, was appointed the agent of several insurance companies incorporated in the State of New York to carry on the general business of insurance against fire." And, in the usually interesting and graphic style of the court historian, we are told that Paul, in pursuance of the law, filed with the Auditor of Public Accounts his authority from the companies to act as their agent. He then applied to the proper officer of the district for a license to act as such agent, offering to comply with all the requirements of the statute except the provision requiring a deposit of bonds with the treasurer of the State, and the production to the officer of the treasurer's receipt.

The mild old district official to whom he applied, and with whom now rested the destinies of a thousand corporations and many score of insurance superintendents of generations yet unborn, placed his gold-rimmed spectacles back upon his shining bald head and looked at Mr. Paul with a look of ineffable sadness and surprise. He had not yet outgrown the doctrines of his youth and early manhood relating to the sovereign power of the Old Dominion. Yet, very recent events had conspired to awaken in his soul the fearful suggestion that possibly the State of Virginia had, after all, no rights that a Yankee corporation was bound to respect. But with trembling fealty to the State he most loved and whose interests he had sworn to protect, the gallant old survivor of a much-abused doctrine of State's rights dismissed Samuel Paul with a shake of his venerable head.

Paul, however, was a reconstructionist, if not a revolutionist; if not an adjuster, he was a re-adjuster, or at least he was subservient to the behests of the Yankee corporations; and he "undertook," says the historian, "to act in the State as agent for the New York companies without any license," and did, in one instance at least, issue a policy in their name to a citizen of Virginia.

For this violation of the statute he was indicted, and convicted in the Circuit Court of the City of Petersburg, and was sentenced to pay a fine of fifty dollars.

Then Paul arose and went up to the City of Washington, where he appealed to the sympathies of the great court there in session. In substance he alleged that the rights of the corporation which he represented had been infringed in two respects: first, under that clause of the Federal Constitution which provides that "the citizens of each State shall be entitled to all the privileges and immunities of citizens of the several States;" and, again, under that clause giving to Congress

power "to regulate commerce with foreign nations and among the several States."

Arguments having been presented, Mr. Justice Field, delivering the opinion of the court, said:

The term citizen, as there [in the Constitution] used, applies only to natural persons, members of the body politic, owing allegiance to the State, not to artificial persons created by the legislature and possessing only the attributes which the legislature has prescribed. \* \* \*

The privileges and immunities secured to the citizens of each State in the several States by the clause in question, are those which are common to the citizens in the latter States under their constitution and laws by virtue of their being citizens. Special privileges enjoyed by citizens in their own States \* \* \* must be enjoyed at home, unless the assent of other States to their enjoyment therein be given. A grant of corporate existence is a grant of special privileges to the corporators, enabling them to act for certain purposes as an individual and exempting them (unless otherwise specially provided) from individual liability. The corporation must dwell in the place of its creation, and cannot migrate to another sovereignty (*Bank of Augusta vs. Earle*). Having no absolute right of recognition in other States, but depending for such recognition and the enforcement of its contracts upon their assent, it follows, as a matter of course, that such assent may be granted upon such terms and conditions as those States may think proper to impose.

Proceeding to the second objection urged to the validity of the Virginia statute, as in violation of the commercial clause of the Constitution, the court said that although the language of the Constitution "is general, and includes alike commerce by individuals, partnerships, associations and corporations," nevertheless "issuing a policy of insurance is not a transaction of commerce. Policies of insurance are simple contracts of indemnity against loss by fire," and "not articles of commerce in any proper meaning of the word. They are not subjects of barter and trade offered in the market as something having an existence and value independent of the parties to them. They are not commodities to be shipped or forwarded from one State to another and there put up for sale. \* \* \* Such contracts are not interstate transactions, though the parties may be domiciled in different States. \* \* \* They are local transactions, and are governed by the local law."

It being thus decided that within the meaning of the Federal Constitution a corporation is not a citizen, and issuing a policy of insurance is not a transaction of commerce, Paul returned to the bosom of his fair Virginia and made his peace with her by paying the penalty which had been imposed.

## I.

## THE RELATIONS OF FOREIGN CORPORATIONS TO THE STATE.

In regard to the proposition that a corporation is not entitled to the privileges and immunities of a citizen in the several States, the point was quite fully decided in the earlier case of the Bank of Augusta *vs.* Earle, and reiterated in the case of *Ducaté vs. The City of Chicago* (10 Wall., 470), the authority of which has been followed in many subsequent cases.

In the latter case the court said :

The power of the State to discriminate between her own domestic corporations and those of other States desirous of transacting business within her jurisdiction, is clearly established. \* \* \* As to the nature or degree of discrimination, it belongs to the State to determine, subject only to such limitations on her sovereignty as *may be found in the fundamental law of the Union.*

By the—

Law of comity obtaining among the States \* \* \* a corporation of one State \* \* \* may exercise within any other State the general powers conferred by its own charter, unless it is prohibited from so doing either in the direct enactments of the latter State, or by its public policy deduced from the general course of its legislation, or from the settled adjudications of its highest courts (101 U. S., 352).

It must be clear, however, that the prohibitions sought to be enforced do exist in one or the other of the forms stated, otherwise the rule of comity will prevail. But where a State has clearly declared its withdrawal from the comity of States, foreign corporations must, if required, be literally born again before they can enter into that State for the transaction of business.

Nor does a license to a foreign corporation to enter a State involve a permanent right to remain (94 U. S., 535). The State may revoke the license "in its discretion, for good cause or without cause. The motive or intention of the State in so doing is not open to enquiry" (Ib.). But the Federal courts, looking to the citizenship of the stockholders for the purposes of jurisdiction, will not permit their jurisdiction to be ousted over controversies to which foreign corporations are parties, when that jurisdiction has been invoked. While, however, a State cannot, by statute, prevent a foreign corporation transferring a suit from a State court to the Federal courts, it may lawfully revoke its license for so doing.

The various limitations imposed by State statutes upon insurance

companies are quite familiar. They may include obtaining a license; recording articles of association; disclosing the nature and objects of the corporation; publication of statements; appointment of agents to receive service of process; submission to examination of the corporate business; agreement not to transfer suits to the Federal courts; deposit of funds with the State, and, in some instances, prohibit compacts and combinations for maintaining rates of premium.

These statutes are classed with the police laws of the State. They are designed primarily to protect the interests of the citizens of the State and not, unless expressly so declared, to render acts done before compliance void or unenforceable. In some of the States, however, compliance is held to be a condition precedent to the validity of acts done within the State. In such cases, premium notes taken before compliance cannot be recovered upon, nor can premiums collected by an agent, and sureties upon an agent's bond are not bound. Otherwise, when compliance is not held to be a condition precedent. In some jurisdictions (Indiana and Vermont) contracts have been held valid as against but not in favor of a non-complying company. In others this view has been questioned. In one case, at least (in Indiana), it has been held that the policy of a non-resident, non-complying company is not "other insurance" within the meaning of the clause in the policy of another, a domestic company, forbidding other insurance.

In the absence of evidence compliance with the statutes will be presumed (8 A. & E. E., 346).

Doing a single act is not "*carrying on business*;" and so, among other things, the adjustment of a loss by an uncertified agent has been held in New York not to be within the prohibition of a statute forbidding non-State companies to *carry on business* in the State (44 Hun., N. Y., 8-348).

But statutes imposing limitations upon the corporations of other States are subject to the constitutional limits upon the power of the States, and must recognize principles of natural justice (8 A. & E. E., 338). The State cannot enact any law impairing the obligation of contracts even as to foreign corporations, and the protection of property, the right to a hearing in the courts, freedom from attachment without due process of law, are guaranteed to such corporations by the Federal Constitution as fully as to citizens in their individual capacity (Ib., 365).

While *retaliatory legislation* has been held in a number of the States and by the United States Supreme Court, to be constitutional,



it seems to be a recognized principle that such legislation, to be valid, must at least be just and fair and not arbitrary. In Alabama a retaliatory statute has been held to be unconstitutional, upon the ground that a legislature cannot delegate or transfer its authority or confer its powers of legislation upon any other person, State or nationality.

But all the powers of Congress, or of the United States Supreme Court, to limit discrimination against the corporations of other States, have not been, as yet, exhausted. In each of these bodies there rests a reserve power which, in some extreme moment, may yet be successfully invoked. By the judgments and decrees of the United States Supreme Court, even though erroneous, the rights of all parties must stand or fall; and should this supreme judicial body feel called upon at any time to check the encroachments of unwise State legislation, it will doubtless find a reason quite satisfactory to itself for so doing, and it may be even without respect to any constitutional limitation or provision upon the subject. Such action has been taken in more than one notable instance (*conf.* Crandall *vs.* The State of Nevada). The powers of Congress under the clause granting authority to "provide for the general welfare of the United States," have also a very wide scope, the limits of which it may be difficult to define.

But while in these reserve powers resides the possibility of a modification, or even an entire change, in the status of other State and foreign corporations, any mere inconvenience to which companies or their representatives are subjected will hardly afford the occasion for serious action on the part of either the Federal courts or Congress; not, at least, until such inconvenience shall so disturb the machinery of intercourse as to manifestly endanger the stability of interstate relations.

Yet it may be well for our State legislators to bear in mind that, when the payment of a just proportion of taxes and a reasonable protection to parties holding policies have been secured, the whole reason and obvious purpose of State regulation have been exhausted. Beyond that point legislation becomes oppression, leading to retaliation and to the destruction of that free and harmonious intercourse between the States which it was one of the main objects of the Federal Constitution to secure.

It follows, on principle, from the doctrine presented in the case before us, that citizens of one State who seek to operate as individual underwriters in another State, cannot be subjected to the discrimination thus sanctioned. They are entitled to all the privileges and immunities

enjoyed by the citizens of the State into which an entrance is desired. In view of recent movements in the field of individual underwriting, the Insurance Commissioners of some of the States have of late been confronted with this proposition. It is not unlikely that, should the exactions of State legislation, in the way of discrimination, become too severe for foreign corporations to endure, individual underwriting will be attempted wherever it may find the promise of a freer or more extensive field of operation. In the light of this decision and in the nature of things, individual underwriting is the primary and natural exponent of the commercial theory of insurance. The possibilities of development in the direction of individual underwriting may be instanced in the English Lloyds. But the forces which are in conflict with such development in this country may appear to some extent from the subsequent portion of this paper.

## II.

### THE RELATION OF INSURANCE TO COMMERCE.

As to the second point decided by this case, that insurance is not commerce, those who are best acquainted with this branch of enterprise, with its history and the scope and direction of its operations, may content themselves with the reflection that the view adopted by the court is a departure from that broad, comprehensive and practical view of the subject which we should expect from a tribunal which is looked upon as a very source of wisdom and learning. It cannot, I think, be successfully contended that the indemnity which is furnished under contract by fire and marine insurance companies, because it cannot be packed up in bales and carted about the country, or because it is possessed of features peculiar to itself, is any the less a real commodity having its market price and legitimate profit. The policy itself is not the thing bargained for; it is not the subject-matter of the transaction, as the court assumes, but the mere instrument which evidences a contract, not readily distinguishable from the ordinary bargain and sale. Competition and an intelligent development of the business have gone far towards establishing a market price for every known species of risk, marking the cost of insurance in as determinate figures as any marketable commodity. And again, it may be noted that indemnity is not necessarily payable in money, but may be in kind. The contract is one which involves the kind, quality and market values of commodities. It is, in effect, an agreement, optional with the insurer, for the delivery to the assured, on the happening of a

loss, either property of like kind and quality with that destroyed or damaged, or to repair the damage, or deliver the price or value of the goods or property, or the value or amount of the damage sustained.

None of us who are familiar with the details of an adjustment will find it difficult to testify that the business of fire or marine insurance is intimately concerned with questions relating to the values of commodities and the usages of the trading world; that rights and demands under the contracts with which we are every day dealing, are affected materially by the rise and fall of markets and the varying conditions of trade.

And if the grand purpose of the undertaking be the promotion, as well as the protection of mercantile adventures; if the amount to be recovered under the contract is to be adjusted and determined with reference to prevailing market values and existing trade conditions; if the indemnity thus measured is, in the first instance, supplied to the assured, the purchaser, at an established market rate or price, and is bought from one or more of a hundred competitors upon the street or upon boards of trade, I know not by what principle or rule of elimination this transaction is to be excluded from the domain of commerce.

The court has drawn an analogy between bills of exchange and policies of insurance. But in the opinion of recent learned commentators, it "does not follow from this decision that bills of exchange may not be regulated by Congress, or that a State may subject them to restrictions which will injuriously affect trade with foreign nations, or among the States," as "they are an indispensable aid to commerce which should be free from taxation" (11 A. & E. E., 544). And *bills of lading* are so far instruments of commerce that a State cannot subject them to a tax that will impede exportation, or operate hostilely upon interstate or foreign commerce (Ib.).

If we accept the narrow view that commerce consists simply in the naked interchange or barter of articles of produce or manufacture, we cannot well understand what sanction there may be for treating contracts of transportation as commerce, especially the transportation of passengers, or contracts for the transmission of telegrams; yet they are so treated by Congress and the Federal courts (11 A. & E. E., 543). So the sale and mortgage of vessels, and requirements as to evidences of title to ships, are held to be within the power of Congress to regulate (Ib.). So Congress has regulated the priority of liens upon vessels, giving preference to bottomry loans; and has also regulated the liability of ship-owners for losses by fire.

Very different from the narrow line of reasoning pursued by the court in *Paul vs. Virginia*, is that vigorous language of Chief Justice Marshall in *Gibbons vs. Ogden* (9 Wheaton, 1), in which the doctrine laid down that commerce does include navigation, thus laying the basis for Federal supervision of transportation by land and water. Said Mr. Marshall:

Counsel for appellee would limit [the meaning of the word] commerce to traffic, to buying and selling, or the interchange of commodities. \* \* \* This would restrict a general term applicable to many objects to one of its significations. Commerce undoubtedly is traffic, but it is something more, it is intercourse. It describes the commercial intercourse of nations in all its branches. \* \* \* The mind can scarcely conceive a system for regulating commerce between nations which shall \* \* \* be confined to prescribing rules for the conduct of individuals in the actual employment of buying and selling, or of barter. All America understands, and has uniformly understood, the word "commerce" to comprehend navigation. It was so understood, and must have been so understood, when the Constitution was framed. The power over commerce, including navigation, was one of the primary objects for which the people of America adopted their government, and must have been contemplated in framing it. The convention must have used the word in that sense, because all have understood it in that sense.

Our horizon broadens under the effect of these words. The world of commerce expands before us. Beyond the narrow confines of local traffic, the exchange and barter of town and village, we behold the mighty going and the coming of the world's great sea-borne trade. The vast concerns, the varied interests pertaining to the intercourse of merchants of all nations, the avenues of intercourse, the instruments of commerce, the every means by which that intercourse is maintained, and increased, and protected. What will render that intercourse not only possible, but safe and profitable? What will place it upon a basis at once permanent and remunerative? How shall the merchant be protected in his adventures? How shall his enterprise be encouraged and success be ensured?

The law of maritime commerce must be all-embracing. It must comprehend those subjects which enter into the plans and projects of the merchant and upon which the safety and success of his adventures depend. It must relate to all the usages and customs of the sea: the regulations of shipping, of wrecks, of average, of pilotage, to secure the rights and protect the interests of all who are directly concerned in maritime enterprise and adventure. And who, it may be asked, are more deeply concerned than those whose business it is to risk their fortunes in the promotion of these enterprises, by ensuring to the owner

of the ship or cargo the safe outcome of his adventure? Who has more at stake? On whose integrity and stability does more devolve in the maintenance of commercial intercourse? What interests are more vitally affected by the rules and regulations of the commercial code? Whose interests more intimately concerned with the going and coming of ships, the conduct of navigation, the rise and fall of markets? Who is more active in the affairs of commerce? Who presents a more striking figure in its history? Who more prominent on boards of trade? Who in the councils of merchants? Who, indeed, has contributed so much to that great bond of commercial union which unites to-day the distant nations of the globe? To whose encouragement, and aid, and active participation is the commercial world of to-day so deeply indebted? By whose counsel, and advice, and experience in all that pertains to maritime law, is our present code of commerce so enriched? None, indeed, have ventured more, none have labored more, none have counseled more wisely.

All writers upon the subject assign to insurance a place in Commercial Law. The French have given to insurance ordinances a distinguished place in the *Code de Commerce*. The laws of the maritime states and trading cities of Europe from an early day have made regulations and ordinances of insurance a part of their commercial codes. Magens, the first English writer on Insurance, introduces into his work a summary of the treaties of commerce between England and foreign powers, and recommends his work "to persons engaged in commerce." The title of his work is, "An Essay on Insurance: Explaining the Nature of the Various Kinds of Insurance Practiced by the Commercial States of Europe." The author was himself a merchant, and in his introduction says that he seeks to supply a needed treatise from his own observations "during a long and extensive course of commerce," as well as from "the ordinances and regulations of the greatest trading nations," and in his recommendations in regard to the utility of a uniform, universal system of laws for regulating insurance, he specially protests against any condition or restraint which may "prevent the increase of trade or hinder new adventures."

Emerigon speaks of the period when the contract of maritime insurance was "introduced into commerce," the laws relating thereto being part of the maritime codes or ordinances of the trading cities, and says that "the contract of insurance arose in maritime commerce as well from the necessities of trade, as from the desire which men have always felt to protect themselves against the caprices of fortune. If

the Romans," said he, "did not give to this contract any distinct place in their laws, it is because this warlike people were wont to abandon to slaves and freedmen the care of commerce by sea and land;" and again, he says that the *spirit of commerce* has "given the spirit and perfectness it possesses at this day."

Mr. Baron Parke says: "In a dissertation upon commerce, insurances form a very distinguished part."

Another learned writer (Enc. Brit.) presents three conditions as essential to extensive international commerce: (1) Means of transport, (2) Freedom of labor and exchange, (3) Security. Foreign trade can flourish only under conditions of security—protection from robbers and pirates, safe passage and safe storage, insurance against accidents. "Nothing is more marked in the past history of the world than this struggle of commerce to establish conditions of security and means of communication with distant parts;" and while "the strength of Rome was in her legions, that of Carthage in her ships," infinitely more in the way of security has been attained under a more refined civilization by means of the contract of insurance. Such insurance may properly be described as that branch or department of commerce, through the medium of which merchants secure to themselves, by contracts of indemnity, protection from loss caused by accident to their goods, merchandise, ships and other property in the course of trade. That insurance is a part of commerce which has for its grand object security to the trading community in mercantile adventures. Its very purpose is the development and promotion of commercial enterprise. It has ever been active in building up and restoring the impaired resources of trade.

The commerce with which the framers of the Constitution were chiefly familiar was maritime commerce. The original States bordered upon or were girt about by the sea, the lakes and the great navigable rivers, and all that pertained to maritime commerce must have been contemplated under the commercial clause. But, in addition to the desire of procuring an "active foreign commerce in our own bottoms," the object of that clause in the Constitution was, as expressed in broad and comprehensive language by Mr. Hamilton, to secure an "unrestrained intercourse" between the States themselves.

But on looking at the many subjects to which insurance has been extended, and the various forms and phases which it presents, it is not surprising that it should have been found impossible to assign a place in commerce to all transactions to which the name of insurance has

been applied, nor that the subject should appear to be a difficult one. Insurance is a generic term, broad in its application, and not limited to commercial transactions. It may constitute a part of commerce or not, according to the object and the nature or form of the particular undertaking. And it is not surprising either, that in the absence of any just analysis or classification, the Supreme Court of Kansas, in the recent case of the Sun-Flower Club, should find itself blushing and stammering in the face of Paul and Virginia, when it declares that insurance is *trade*. Trade is a much narrower word than commerce, and the Kansas judges were doubtless led quite as much by their predilections and prejudices in this case as by their reason; and though this court may have stumbled quite as near the truth as the United States Supreme Court, it has perhaps wisely spared us an elaborate display of the reasoning by which it reached its conclusions.

The same economy might well have been observed by the court in Paul *vs.* Virginia. • It was much better observed in an early case which arose in my own experience before an old justice of the peace at Gallipolis, Ohio. Being perplexed by the technicalities of the case as presented, he delivered his opinion briefly as follows:

Gentlemen, I have been so favorably impressed by counsel upon both sides of this case; your arguments are so convincing and the authorities so conclusive, that I don't know what the law on the subject is. But without giving any reason, one way or the other, I will decide that the insurance company has waived its right to demand proofs of loss.

Quite in line, this, with the advice given by a distinguished English judge to a younger brother about to ascend the bench. "When you render a decision," said he, "give no reason for it; because, while in nine cases in ten your decision will be right, in ninety-nine in a hundred your reason will be wrong."

#### THE TWO-FOLD ORIGIN OF INSURANCE.

Modern insurances have a twofold origin, both of great antiquity. The one is socialistic, the other commercial.

The socialistic form of insurance may be said to have taken its rise from the very common necessity of society which lies at the basis of all coöperation or union for purposes of mutual assistance and protection. The burdens or losses which could ill be sustained by the individual, it was natural to place upon the shoulders of the many, of the community, town or hundred, able, by reason of numbers, to sustain those burdens. This principle of coöperation, it has been said, found

probably its earliest exponent in those institutions or societies known as burial clubs, common to the earliest nations. There are burial clubs in China in almost every town and village. Among the Greeks the *ερανοί* were similar societies, combining the religious with the provident element. The Romans derived their fraternities from the Greeks, and the Teutons had their guilds. From these the English Friendly Societies doubtless originated; and in this country many benevolent organizations, fraternities, and assessment societies, all associations, indeed, based upon the plan of mutual contributionship, are to be distinguished as founded upon socialistic or coöperative and not upon commercial principles.

But the combination of individuals for purposes of mutual protection, as instanced in these societies, guilds, and associations, is but the evidence of a popular need for the protection, aid or indemnity which it was their purpose to afford. A popular need cannot long exist without an effort on the part of individuals to supply it through the medium of private enterprise. This demand for relief from the perils to which property is constantly exposed, gave rise to a system of domestic or inland insurances, promoted by individuals, partnerships and companies for private emolument, and which, resting upon a purely commercial basis, developed into the ordinary commercial contract of insurance. This commercial idea, however, had its earliest exponent in marine insurance. Marine insurance is and, so far as we can learn, has always been essentially a commercial undertaking, a purely business transaction undertaken for purposes of gain, and carried on by merchants throughout the commercial world. While in its perfected, or present form, it is not supposed to have been known or practiced among the ancients, it is, in fact, only a modification of the ancient marine loans or hypothecations known as *bottomry* and *respondentia*, which originated with the earliest maritime States, being practiced by the Rhodians, whose laws were promulgated as early as the 10th century B. C.

Fire insurance was an incident of marine insurance, fire being one of the perils to which marine insurance applied. It is also traceable in provisions made by some of the early guilds for the protection of their members. But as a distinct enterprise, or business, applied to property on land, first to buildings, later to personal property, it was introduced to meet the demand for indemnity created as a result of the great London fire of 1666.<sup>1</sup> It was put in operation by one Barbon, a London builder. The enterprise of Barbon preceded the mutual or con-



tributionship societies which sprang up during the same period. Other enterprises, some mutual, others commercial, soon succeeded. Both kinds of projects, however, it may be said, were promoted for purposes of private gain, and a cotemporary writer surmises that of the two the mutual "brought most money to the contriver," or to the "undertakers," as they were then called. But the mutual, or contributionship plan did not assume to be commercial in spirit or in form, and cannot be said to rest upon commercial principles.

Life insurance, as developed in modern times, cannot be properly classed with other insurances. It is essentially a different undertaking. Partaking strongly of the provident element, in its very nature and purpose it is socialistic rather than commercial; or its operations belong rather to the world of finance than insurance. Differing from fire and marine insurance, it involves no question of commercial values, involves no true principle of indemnity, and depends upon no uncertain event. It is a great banking system dependent upon its investments, both in theory and practice, affording to the depositor a return upon his deposits at the end of a period, which, in each individual case, indeed, is not ascertained, but which, by an elaborate and perfected system of averages, has been reduced to a practical certainty.

Commercial insurances, *i. e.*, insurances upon the commercial plan, have contributed, perhaps, more than any other medium, to the destruction or suppression of socialistic institutions, by enabling the individual to purchase, for a fixed price, the security or indemnity which would otherwise be obtainable only through the medium of association and combination which, at an early day, united the members of a community for protection, as well in case of private disaster as in times of public peril. Commercial insurances have, from the beginning, been met with hostility by those whose predilections and interests have led them to support the socialistic view of insurance. Not long after the London fire a bitter rivalry sprang up between the Friendly Society and the Fire Office—the one being a contributionship, and the other a commercial enterprise. Each of these offices sought to obtain a monopoly, in the form of a charter from the Crown. King James, seeking to satisfy both, granted a charter to the Fire Office to insure upon its plan, and to the Friendly Society a charter to insure upon its plan, each every other three months—a sort of intermittent franchise that must have been somewhat unsatisfactory to the *undertakers*.

The commercial form of insurance soon, however, became pre-

dominant in England, where the commercial instinct has ever been particularly strong; fire insurance following, in this respect, the extensive system of marine insurance for which that country has long been celebrated.

But though in America we may justly pride ourselves upon our great commercial companies, the proposition is here presented that with us the socialistic spirit and sentiment in insurance is in the ascendant. I present this proposition, not merely in view of the numerous associations and societies, great and small, founded upon the principle of mutual contributionship, and not as expressive of any observed preference on the part of the insuring public, especially in the commercial world, for mutual over stock companies; but because the system of State supervision and surveillance, and the legislation by which it is established, is socialistic in spirit and in principle, and because by this system even the commercial companies are themselves controlled. Not only the advancement in civilization, but the temper and dominant spirit of modern nations may be educes from their legislation and laws relating to insurance. In England, government supervision is practically unknown, except in respect to Friendly Societies and to the Postoffice insurances. But under the gradual encroachments of legislation in the United States relating to the supervision of insurance companies, coupled with legislation prescribing the form of contracts, valued-policy laws, anti-compact laws, penalties for delay in the payment of claims, and similar supervisory and directory laws, we are brought very close to that point where it may be said that insurance companies, in the aggregate, are but the machinery for the collection and distribution of a contributionship fund under the direction of the State. Imagining ourselves to be voluntary agents, we are, in fact, operating under powerful socialistic influences, which are in their nature supreme. From State supervision the natural and inevitable drift is towards State insurance. State or government insurance affords the broadest exemplification of the socialistic principle. Towards the consummation of such a system of insurance the case of *Paul vs. Virginia* gave material aid, as it was a direct blow at the commercial theory of underwriting. What further progress may be made in this direction in the course of time, will depend upon social and political influences, which it is not within the scope of this paper to discuss.

But abandoning this vein of speculation, we find ourselves reflecting whether the companies are not, in some measure, better off on account of the decision rendered. I take it that if insurance com-

panies have any complaint against the decision in the case of *Paul vs. Virginia*, the source of that complaint is not in the desire to be regulated by Congress, but to escape regulation and surveillance altogether. And yet it may be claimed, not without reason, that something of the strength of the great companies represented here to-day is due to that system of supervision and surveillance under which policy-holders may have been made to feel that the laws of the State have secured to them safe and solvent institutions, to which they may confidently look for indemnity fairly purchased.

Furthermore, had the court declared that insurance is commerce, it would by no means follow that all insurance is interstate commerce. The control of the Congress could be extended only to those insurances which are strictly interstate, and the range, I take it, would be narrow, unless the domicile alone of the contracting parties determined the matter. But following the analogies of contracts of transportation, the question is not one of domicile alone. Thus, transportation of goods within the State, though the carrier be a foreign corporation, is not regarded as an act of interstate commerce. And where the entire transaction is carried on within the State, the same might be said of insurance. If the matter were to be determined from the nature and status of the property to which the insurance attaches, it would seem that the term interstate would apply only to insurance attaching to property in transit between States, or put up and stored for exportation, and to the vehicles of transport, but not to real property, nor to personal property having a *habitat* or ascertained place within the State.

Again, if insurance companies were placed in the position of railroad companies, whose business is admitted to be commerce, they should only have one more account to render. Our noses would be tweaked by the State Superintendents and our ears pulled by the Interstate Commission. We would be punched in the ribs by one and poked in the back by the other. There is no reason to suppose we should fare any better under one supervising authority than under the other. We might, indeed, be relieved by some general law in respect to garnishments and some other matters needing uniform regulation; but, on the whole, the present situation is not without its redeeming features. We may measure up the good against the evil, seize upon the best that the present system affords and be thankful that we have escaped a worse. Continuing to build up, by a fair and honorable course of dealing, an institution which will command the respect and support of legislators

and the commercial world, we may find in that which has been deemed a restraint and a misfortune, a veritable source of benefit and advantage. In such event we may say with but little reservation, as Madam de la Tours exclaimed of the original Paul and Virginia: "You are the cause of my affliction, my children, but you are also the only source of my delight."

Mr. T. H. Smith—

At this late hour it perhaps is not best to go into much of a discussion of a paper, and yet I have heard with a great deal of interest the latter part, at least, of Mr. Williams' paper, and without any intention to reflect upon the earlier papers presented to the convention, I must say that it reminds me of the old saying of the Scripture about keeping the good wine until the last. There is much in that paper which we shall be glad to think of, and I feel that the very warm thanks of this Association are especially due to Mr. Williams for his address. I move that our appreciation be expressed to him by a rising vote of thanks.

Motion unanimously carried.

The President—

We have never before had a programme so interesting as to keep the gentlemen in constant attendance, as they have been, for so many hours in one day. I regret that Mr. Williams' paper was not listened to by a much larger audience, but there is much satisfaction, at least, in the thought that it will be published in full in the Proceedings and thereby be given a larger circulation. It was a very interesting and very instructive paper, and we are very glad to have it go into the archives of our Association.

Mr. W. F. Fox—

I wish to express my appreciation of the fidelity with which Mr. Williams followed the case of Paul *vs.* Virginia. I have had occasion to look that case up in times gone by, and the *resume* of it that he has given is strictly correct. The case turned upon whether the State of Virginia had the right to exact conformity to its laws before an agent could do business, whether he should receive a license from the State prior to his right to do business as a local insurance agent. The agent did comply with all the requirements of the laws of the State of Virginia at the time, except that relating to a deposit, which he was unable to comply with; that was for the company to attend to, and not him.

The company not putting up the deposit, he went on and issued a policy, and for doing so was fined, and the case was appealed and became noted in the annals of insurance litigation. But the doctrine laid down in this case is an old one. It was stated previously in the case cited by Mr. Williams, in the *Bank of Augusta vs. Earl*, and in two cases in Wisconsin, and there are numerous other instances that might be cited where the doctrine has been laid down that insurance corporations have no standing in other States except as given by courtesy. A natural person has a natural right. A corporation is simply an artificial person, and has no rights outside the commonwealth wherein created. That is a recognized principle of law, established by a long line of decisions which it is not worth while to undertake to overturn. Now, the Supreme Court of the United States has held that insurance is not commerce. On that point I see Mr. Williams is inclined to differ in opinion. If I understand correctly, commerce involves a *thing*, a thing *in esse*, and transportation, the exchange of a thing by the hand, or by rail, or by ship. A contract is not and cannot be commerce, in the nature of things. A promissory note is not commerce; a mortgage is not commerce; an insurance policy is not commerce, it is simply a contract to do a thing in a certain contingency. It is related to commerce just as notes or exchange are. All things are more or less related to commerce, but they are not commerce *per se*. The Supreme Court has held that doctrine clearly, and until the Constitution of the United States shall be enlarged so as to give Congress the right to legislate upon insurance as it does upon commerce, it is utterly futile to attempt to enlarge the jurisdiction of Congress in that direction. The States are supreme over corporations, because they are created by the States by virtue of special State laws. A corporation is a thing of artificial construction, and it has no standing outside its own home. Commerce grew out of the conditions of trade long before insurance was born. In no sense can an insurance policy claim to be part and parcel of commerce. There is nothing in common between the policy contract and commerce except its indemnifying feature—undertaking to indemnify a person for the loss of a thing, which thing enters into commerce. In all other respects I think Mr. Williams' paper is most admirable. On that point I take issue.

Mr. Hine—

A brick is not a house, a door is not a house; but a brick is part of a house and a door is part of a house, and if, when I buy a cargo of

corn or wheat in Chicago, I purchase a tarpaulin to protect my cargo from the rain as it is in transit, that transaction is a part of the transportation of that cargo. And if, in addition to that, I purchase and pay for a policy of insurance to protect my cargo from other dangers which it has to run, then my purchase of the policy of insurance is also a part of the transaction and of the transportation, just as much as the bill of lading, just as necessarily as any other contract for the labor of stevedores, or anything else. I say that insurance is a part of commerce.

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Mr. Hine, as chairman of the memorial committee on the death of Mr. Whiting, submitted the following report :

#### REPORT OF COMMITTEE ON THE DEATH OF MR. J. H. C. WHITING.

Not all the stalwart friends of this Association are on its roll of membership. Outside its immediate working force it probably has no stronger body of admirers, supporters, friends, than the journalists, and among all of these there was no more steady, cheery, outspoken champion than John H. C. Whiting, of the *American Exchange and Review*. Dear Jack Whiting we loved to call him living, and still love to call him dead.

All men have their individualities, more or less pronounced. Probably no man of our generation illustrated the power of concentrated will and heroic endurance more finely than the lamented J. B. Bennett, whose eulogy was so eloquently pronounced on this floor last year. The lovely life of Chas. Marshall, the scholarly industry of A. J. Waters, and the characteristics of others who have rested from their earthly labors and whose works do follow them, and whose memories we love to keep fresh and green, come up in sad procession as thought runs back over the necrology of the past few years.

We add another name to the lengthening list, and we speak a word of honest admiration for a noble soul to-day. Jack Whiting was so unselfish that he could not seek distinction save as it might come to him along the path of honest, every-day well-going. His goodness, and kindness, and cheery, encouraging words were so natural and so con-

stant that they were as little noted while he was with us as the sunshine or the free air, or any other blessing that we accept and enjoy as a matter of course, but whose loss makes us suddenly and painfully sensible of its unspeakable value.

Combined with his frankness and friendliness, however, there was a fearlessness and a sense of honor, right and justice, that made him as quick and as vehement in detecting and denouncing wrong, as he was unreserved in his friendships or open in his confidences. It was the privilege of some of your committee to meet him frequently and know him intimately, and they bear willing and loving testimony to his worth as a citizen, a journalist, a student of insurance, a husband, father and friend.

The world is better, men's paths are smoother, their loads are easier and their lives more sunny, because such men as Whiting live. In our hearts we say, softly and sadly, Dear Jack Whiting. As we study his life and better understand the atmosphere which surrounded him, we may add, appreciatingly and admiringly, Rare Jack Whiting.

C. C. HINE,  
J. S. BLOOMINGSTON,  
C. A. HEWITT,  
*Committee.*

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On motion, the meeting adjourned until 10 A. M. Friday, October 9th.







J. H. C. WHITING.

In Memoriam.

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1891.

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J. B. C. Whiting.

PHILADELPHIA, PA.

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Editor of the American Exchange  
and Review.

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DIED JULY 31, 1891.

AGED 57 YEARS.



**In Memoriam.**

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**1891.**

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**J. H. C. Whiting,**

**PHILADELPHIA, PA.**

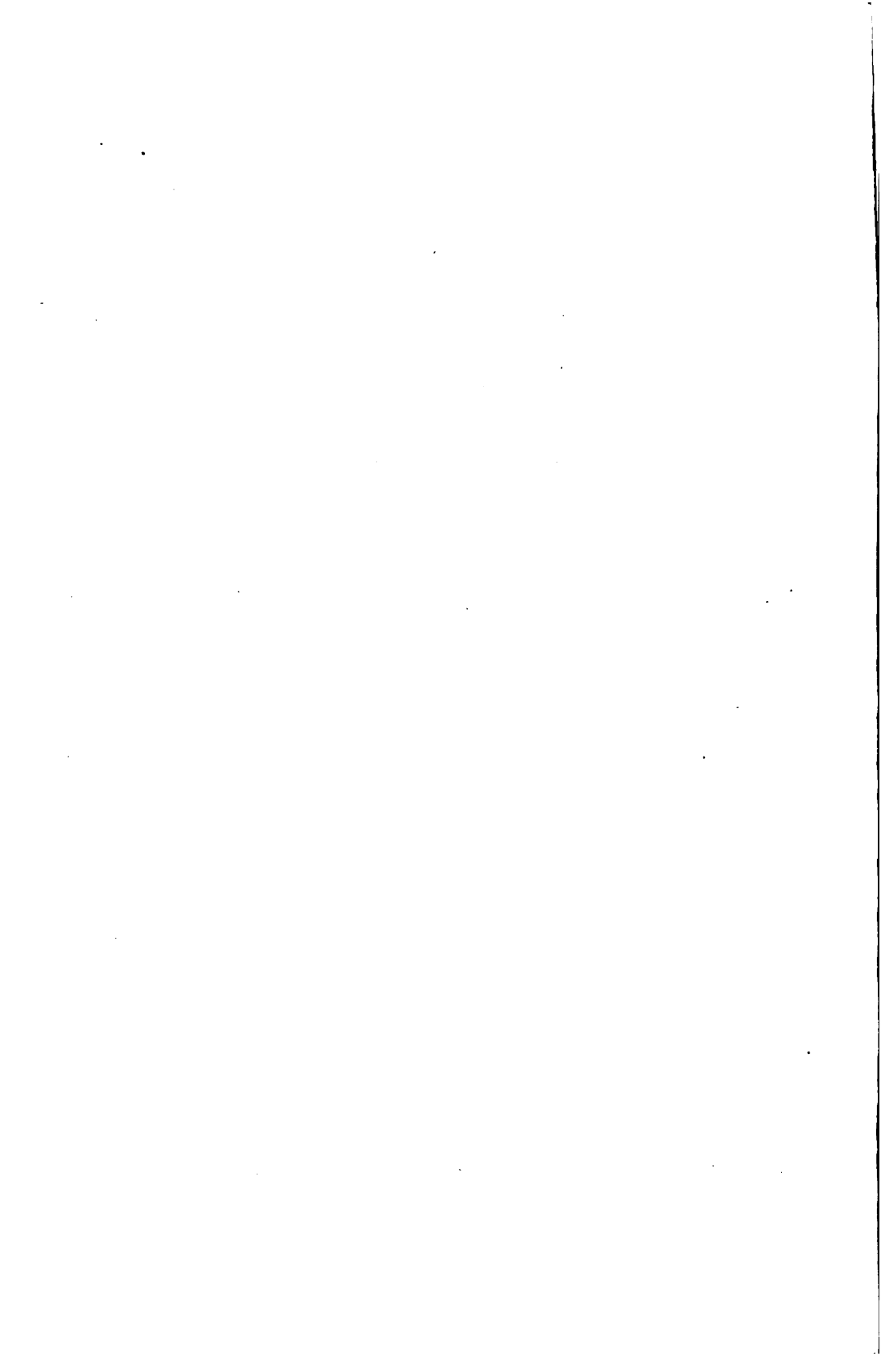
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**Editor of the American Exchange  
and Review.**

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**DIED JULY 31, 1891.**

**AGED 57 YEARS.**



### THIRD DAY.

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FRIDAY, October 9, 10 A. M.

The meeting was called to order by the President.

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The members first listened to the memorial on the death of Mr. Hawley, presented by Mr. E. M. Condit, chairman of committee.

#### REPORT OF COMMITTEE ON THE DEATH OF AMOS H. HAWLEY.

MR. PRESIDENT AND GENTLEMEN OF THE ASSOCIATION :

Amos H. Hawley was born in the village of Worthington, eight miles north of Columbus, Ohio, December 14, 1840. When he was nine years of age the family moved to Seville, Medina County, of that State. Whether—as we used to discuss in our boyhood—man makes the circumstances, or circumstances make the man, certain it was that the incident of this removal to the little village, only three miles distant from the Ohio Farmers' Office, put young Hawley in line of his life work. From this unpretentious town, but little known beyond the county limits, the social and business circle of his life widened until his was a familiar name in a hundred thousand homes, mostly in his native State.

About 1859, his father, A. G. Hawley, was chosen secretary of the Ohio Farmers' Fire Insurance Company. Somewhat broken in health, in 1864 his youngest son, of whom we now speak, was taken into the office as his principal assistant, and in 1867 succeeded his father, by reason of the latter's failing health, as secretary of the company. This position he held to the day of his death, which occurred September 16, 1890. He died from a stomach trouble which resulted in the depletion of the blood.

Far more than any *one* man he promoted and witnessed for twenty-three consecutive years, as secretary, the growth of this company from a weak, struggling, local organization to its present status, having over sixteen hundred thousand dollars in assets and an honorable record wherever known. Considering these results, we have no need to ask if his life reflected the highest integrity, or whether he possessed that

business vigor so necessary to the successful manager. These qualities were his in the highest sense and more, for he had a warm, loving humanity that endeared him to all with whom he had social or business relations. Few of the Western members of this Association knew Mr. Hawley personally, but in the hearts of that smaller circle who knew him well as a business man, a citizen, a Christian gentleman, a church officer, a neighbor, a father and a husband, he stands enshrined beyond the reach of language to beautify or deface. Who has not followed to the tomb some aged father or friend, and, as he reflected on the life well-spent, the hoary head now crowned because found in the way of righteousness, even thought with satisfaction upon the departure of a life so ripe with years and results! But it comes not without a struggle to be reconciled to the death of one's friend, called hence in the very prime of his manhood. It was thus with our earliest insurance friend, Amos H. Hawley.

It seemed to us he had just gotten ready to live. The future prospects of the company, of which he had so long been the head, were never brighter. He had but just finished building and furnishing an elegant home. There was the presence of a loving wife and three well-trained children to sweeten and bless that home; a competence accumulated beyond any thought of earthly want; honored by all who knew him well. Amid these environments, in this new home, surrounded by the maple and partly wooded lands, where he had thought to happily pass a score or more of years, his life went out in the midst of its fiftieth autumn—a life ripe in every endowment that best adorns the home and endears man to his family.

“Leaves have their time to fall,  
And flowers to wither at the North wind's breath,  
The stars to set. But all—  
Thou hast all seasons for thine own, O Death!”

E. M. CONDIT,

E. A. HOUGH,

*Committee.*

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The President—

The Chair will appoint as committee accepting the kind gift of Mrs. Peetrey, Messrs. Richardson, Fox and Bonar.

The first paper on the morning programme is one with a very peculiar title, but being offered by so old a friend of this Association







A. H. HAWLEY.

In Memoriam

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1854

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Amos J. Ward

SEVILLE, OHIO

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Secretary of the Ohio Fire  
Insurance Company

---

Died September 16, 1893

AGED 51 YEARS.



U. HAWLEY.

In Memoriam.

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1891.

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Amos G. Hawley,

SEVILLE, OHIO.

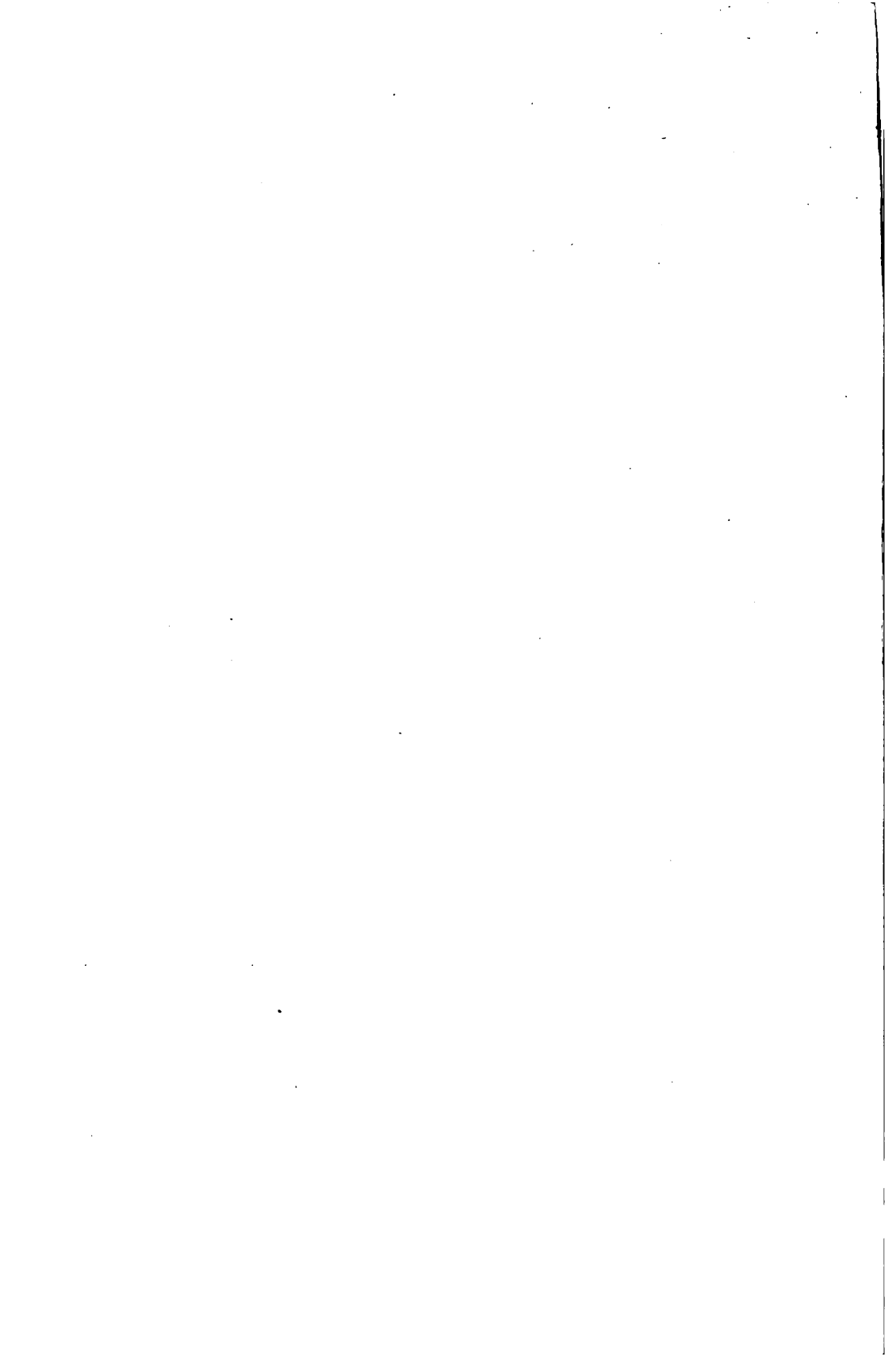
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Secretary of the Ohio Farmers' In-  
surance Company.

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Died September 16, 1890.

AGED 51 YEARS.



as Mr. Griffiths, to whom no introduction is needed, we may feel assured that the contents of the paper will be well worth our attention. I have the pleasure of introducing Mr. J. C. Griffiths, of Milwaukee, Resident Secretary of the North British and Mercantile Insurance Company. The title of Mr. Griffiths' paper is "The World, the Flesh and the Devil: Their Relation to Insurance," whether life or fire is not stated.

THE WORLD, THE FLESH AND THE DEVIL:  
THEIR RELATION TO INSURANCE.

Mr. Griffiths—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS'  
ASSOCIATION OF THE NORTHWEST:

The subject selected for my paper is sufficiently broad to permit me to treat upon all phases of the business, from the "heavens above to the earth beneath, and the waters under the earth." It goes even further than that—to the home of his Satanic Majesty, with whom, of course, none of you are acquainted, though you are in the fire business. Your acquaintance, however, may enlarge, if the business extends in the future as it has in the past, and you may yet find your company doing business there also, if we are to judge from some of the hazards they now assume. Of course you will find no agent there to advise you as to what a nice risk it was "before the fire," but I'll wager on your finding that out. You may not be able to apply the 80 per cent. co-insurance clause to His Majesty's claim, but I am bound to say you will suggest a compromise before leaving.

But I digress. It is no easy matter to write a paper for such an audience as comprises the membership of this Association. As its Secretary for the past seven years, I have read the proofs of every paper and speech delivered, and know something of the required ability to please and entertain such an assembly. In reviewing the papers and addresses delivered before this Association it would seem almost impossible to say anything new upon the subject of insurance; yet with each recurring meeting the members come with new thoughts and experiences, till we begin to think that but little has really been said, the subject being of such magnitude. What little I have to offer at this time is the outgrowth of my own experience and observation. If it differs from yours, I shall attribute it to the limited sphere in which I move and your more general knowledge. You who have been connected

with the business of underwriting for the past quarter of a century, know something of how it becomes part and parcel of your existence. Even if not personally interested, you feel proud of its success and mourn at its defeat. The object of this and similar meetings is not wholly how to make the business more profitable, but how to relieve it of many of the unjust prejudices and criticisms which beset it on every hand. If you are loyal to the profession you must feel that you have some part in this important work. It is no easy task to change or mold public opinion, and when you consider the erroneous views entertained by the masses on the subject of insurance, you may well be appalled at the magnitude of the work which lies before you. It is my purpose in this paper to consider briefly the relationship existing between the insurance companies and their patrons, and to show, if possible, the cause for so much hostility and unfriendly feeling. The remedy I will leave for you to suggest, as I am satisfied any one of you present could do. We are not so much troubled for remedies, as we are for concerted or united action on the part of the companies in applying such, and it is very doubtful if it will ever be otherwise.

In treating with the different divisions of my subject and their relation to insurance, I shall treat of the World as the people, who are a very important factor, and if you want to get rid of dealing with them you will need to move your headquarters from this mundane sphere to one ethereal, where possibly some may realize more fully the necessity for indemnity than they do now; the Flesh, as the agents in every capacity, but having no reference to Managers or General Agents, as the ordinary field man is supposed to know but little of their component parts; and the Devil—well, I shall keep him in the background for the present, for fear some of you may recognize some old familiar face; and having once recognized him, you would, from force of habit, immediately take out your receipt-book and begin to write “in full compromise settlement,” which would seriously disturb me in my reading.

I shall not disappoint you by saying anything new, and but little original; but if any one thought for the betterment of the business is suggested, my purpose will have been accomplished.

Since we deal with the world as the people, what, then, *is the relation of the World to insurance?*

Insurance, compared with the history of the world, is of very modern invention. The necessity for its benign protection grows with the advance of civilization; and no thoughtful student of the profession will doubt that there will yet be many new forms of insurance devised

to aid in relieving poor, weak humanity of its many cares and responsibilities. It is safe to say that the demand for it in its various forms will increase, and the conduct of the business improve, in proportion as civilization moves onward and upward. Insurance is both a growth and a necessity of civilization, and being of so modern an origin, must, in the nature of things, be somewhat crude and imperfect, in comparison to that perfection it will ultimately reach when truth and justice shall more generally prevail.

Like many blessings enjoyed by the world it is little appreciated, and I doubt if it ever will be otherwise till the demand exceeds the supply, of which there is no immediate prospect. Nothing of equal value can be procured so easily and cheaply as insurance. It is even more free than the gospel; and for some kinds of insurance you can now "drop a nickel in the slot" and get a full-fledged policy, while you would scarcely allow the contribution box to pass with so small an offering. Our accident friends seem to have outstripped us in some of the modern devices for doing the business, and it would seem as though they had almost reached perfection in their line. But little more is needed to make it absolutely perfect: after you have dropped a nickel in the slot and procured your policy, there should be another box into which you could drop a nickel and be struck in the head with a club, and another one, where upon making the necessary deposit, an Adjuster would immediately appear on the ground and settle the damage. This, we think, would be the acme of perfection, and we could scarcely expect any further advancement in this line.

That there is room for improvement in the fire department of the business nobody familiar with the present state of affairs will deny, but in what manner any improvement is going to be brought about, few persons would dare venture an opinion. I do not refer particularly to the question of limited profit, which, considering the hazardous undertaking, is reduced to a mere pittance; but more particularly to the ignorant prejudices of the masses touching a question which is of such vital importance to them, and by reason of which the cost of indemnity is materially increased. This prejudice is experienced by companies engaged in all classes of insurance, till we are led to believe that the world is at enmity with the business. If any uninitiated doubts this assertion, let him familiarize himself with some of the laws on the statute books of this country, to say nothing of the law as expounded by courts and decided by juries. The latter, as a rule, care nothing for equities or facts, but decide according to their ignorant



and blind prejudices. Of course there are some exceptions, and all honor to the judge or jury that "hews to the line, let the chips fall where they may."

The thought suggests itself as to the cause of this antagonism, believing, as we do, that the people, in the main, are right. Is there anything in the conduct of the business that breeds it? Are there men engaged in the business who engender it? Are some of the rules and practices of the companies against public policy? Or, is it inherent to the business, and will there never come a time when it will be freed from it?

First, as to the conduct of the business:

Underwriters are educated in the belief that a policy of insurance is a legal document, and are apt to so construe all of its conditions; while people regard it as an unconditional promise to pay, equally binding, even though not strictly legal. Herein seems to lie the cause of much of the opposition. We know full well that most of the companies do not adhere strictly to their legal obligations, and recognize and pay claims which no private individual would for a moment consider under a similar contract, and if the sum total of the claims so paid annually by the insurance companies of the world could be computed, the amount would be fabulous.

In a recent damage to a church in Wisconsin, where it was in doubt whether the cause was lightning or wind, the priest in charge makes this argument why the companies should recognize the claim:

"Six men have examined the matter carefully. Two say it was caused by lightning, two say it was by wind, and two are not certain about the matter. This renders the matter doubtful at least. Now, your agents assured us that in every case we should have the benefit of the doubt. Strictly, according to law, I suppose it would be difficult to hold the companies responsible, but as a matter of fact, insurance companies are generous with religious institutions and do not confine themselves to the technicalities of the law. Even from a business standpoint they consider it policy to do so. \* \* \* \* \* If we have to sustain the loss it will burden us heavily; the loss, divided among your companies, will not be felt, and will serve as an advertisement for your companies. I hope, therefore, you will consider this matter favorably and act accordingly."

Doubtless this liberality has led people to believe that they have but to make a claim and threaten litigation when it will be recognized. If there were more firmness shown in resisting such, possibly the people would come to a better understanding of the nature of the contract, and with a more intelligent understanding would come less of friction and controversy when the contract was applied, and the

insuring public would be ultimately benefited in lessening the cost of insurance. It is a notorious fact, and well understood by the legal profession, that you have only to threaten litigation when almost any kind of a claim against an insurance company will be conceded. And while it may be desirable for the companies to have a good name (and some are proud to say they *never* litigate), still a too frequent waiving of rights may and does seem to lead the people to forget that we have rights. More firmness, then, would, in my opinion, do much to lessen this growing and increasing evil.

The multiplicity of companies also does much to breed antagonism. While there is not too much capital in the business for the large centers of the world, yet when you distribute it over the small towns and hamlets, the companies simply vie with each other for business, and are forced, by reason of excessive competition, into practices which of necessity breed distrust. Why could not some scheme be adopted similar to that of the express companies, giving to a certain number a limited territory, so that there would be simply a healthful and stimulating competition, yet sufficient to attend to the wants of the territory and keep rates reasonable.

But it is useless to suggest any plan which depends upon an observance by all companies for its effect, and many laudable efforts have been made for the betterment of the business, though seemingly to little purpose. Organizations for the maintenance of adequate rates, even though they may be faithfully observed by the majority, are of little effect, where there are those who, from selfish motives, secretly violate them, or others who deem it for their best interests not to be bound by any such plan: so that a large number of companies feel that it is useless to attempt any organization looking toward adequate and paying rates so long as they cannot be enforced. It is becoming a very general belief that companies would ultimately be benefited by the disbanding of all rating organizations, thus compelling all to rely upon their own resources. This would certainly have the effect of removing from the scene of action a number that now seemingly exist simply for the purpose of retarding all progress in the conduct of the business.

My next question is, "Are some of the practices and rules of the companies against public policy?" It is my opinion that the cost of indemnity is materially increased by reason of the payment of numerous claims which are a fraud upon the companies, and a menace to the morals of the country. There is much criticism of the com-

panies in this particular. A very good neighbor of mine, a man upright in his business and a moral, law-abiding citizen, when asked by me what subject I should take for my paper, replied, "Tell them to stop offering a premium for arson." Now, this thought was suggested by this gentleman, not from any unfriendly feeling to the companies, but simply as a result of his observation, that we are compromising and abetting fraud by recognizing and paying claims that should be resisted to the end of a court of last resort. There is some truth in his remark. We all know by bitter experience that litigation is expensive; that companies do not receive the same consideration that a private individual would in their position; and that the verdicts of juries are not always the result of law and evidence, but the outcome of prejudice, and they are apt to believe that the companies are trying to avoid paying a claim, and so decide against them. Still I believe it is the duty of the companies to continue to resist, even more than they have in the past, all claims that have a taint of fraud; and while such a course would be expensive, it would nevertheless have its proper effect, and the idea that we were offering a premium for arson would no longer be entertained by some of the better element of the country.

The next question, "Is this hostility inherent to the business; and will there never come a time when it will be freed from it?" Under the present state of affairs I think it is, but is probably less so to-day than ever in the history of insurance. People are becoming more broad in their views, and appreciate the fact that some business must be done by aggregation of capital, and more fully appreciate the uses of corporate bodies; and, in my opinion, the tendency of the times is to more generally recognize their rights and privileges. Yet there is a feeling that in all dealings with such, the man is the under dog in the fight, to whom should be extended all sympathy. This is inherent to all corporations, as well as the business of insurance, and will probably never be entirely eliminated. But who will dare say that the trend of our civilization is not to deal justly in all things, even though the defendant be a corporation?

I now come to the second subject of my paper, the relation of the Flesh to insurance. Companies engaged in the life business seem to have less trouble in dealing with this perishable commodity than do fire companies, and the relationship appears to be more peaceful. This of course is easily explained, for while it is true that "all flesh shall perish," all property does not burn (although this year's experience seems to indicate to the contrary). A policy in a life insurance

company becomes a claim at death; in a fire company by accident, or at the pleasure of the owner. The life business is more of a certainty than the fire and depends less on the caprices of men, hence there is less friction. Accident companies, however, are less favored, and their claims partake more of the nature of claims by fire, because of the opportunity for speculation. If these elements of speculation could be eliminated, the saving would be enormous. But the prospects of ever removing it are very limited, although much can be done by underwriters to materially lessen it.

Of necessity the business of fire insurance must be done through agents who receive their pay by commissions based upon the amount of business transacted, for it will not warrant a salaried agent in every town and hamlet. The majority of agents in the smaller places have other business and make insurance a side issue. Their insurance education of necessity has to come from the companies by correspondence, or by such instructive literature as they may send out from time to time, and from the insurance press. To be sure, they are occasionally visited by the "jolly Special" and he does good "missionary work" for the period of his brief stay. But does this good missionary devote enough time to the *morale* of the business (?); or is the object of his visit to urge the agent to an increase of receipts, leaving him to understand that "business is what we want" and that the principles will take care of themselves? I fear that this is too generally the case, the result being a too general belief on the part of agents that "everything goes," and that the much talked of theories of underwriting are a myth. The insured, too, imbibes this same spirit of indifference, for his opinions are molded by the same atmosphere that surrounds this carefully instructed agent. These remarks are also applicable to agencies in the larger cities, where even worse practices are instituted. A loss occurs and the Adjuster tries to carefully ascertain the value of the property, while the assured compares the present desire for correctness with the loose and indifferent manner exhibited when the risk was assumed. The criticism that agents are not careful enough when assuming risks, is a charge companies have frequently to meet, and no remedy for this evil has ever been suggested except the contingent commission plan, and that has its objections; still it may be better than the present system of compensating agents.

The words of Scripture that "the flesh is weak" are more frequently illustrated in our business than in any other. In the prosecution of the business the companies have to depend largely upon the agents,

whose judgment may sometimes be warped by the consideration of the commissions involved. Of course the Local Agent is only human, and it is to be expected that he will err. But I believe the time will come when his duties will be more clearly understood, and he will enter upon them with a consciousness of the responsibility imposed upon him. I think that many agents now have this conception, but it takes only a few bad men to disarrange the whole system. The difficulty seems to be that the agent has to act in a dual capacity. First he must get the business for the company, and in doing so he is expected to show a friendly feeling for his patron and give him every latitude and privilege which he thinks will meet the approval of the company. Second, the company also expects him to act as their agent and protect their interests, and he is placed in the position of the man who tried to serve two masters, which we learn cannot be done; for "either he will hate the one and love the other, or else he will hold to the one and despise the other." This dual capacity in which the agent must act has made it necessary for the employment of the "Special Agent," and he should be a *man* among *men*, for I believe it takes more of a saint to be a successful Special Agent than any business under the sun. And when it comes to the Adjuster, why, he simply should have wings; and he will have if he lives long enough. If any have died without it is because of their early demise; for if ever there was a poor, tried soul, it is this humble Adjuster, who is expected to bring peace and order out of discord and chaos. It is said, you know, that "a little leaven leaveneth the whole lump," so the influence of the bad is also felt, and one bad man in our profession will do more harm and create more antagonism than a hundred good men can overcome; and the evil that he does will spread with greater rapidity, and over more territory, than all the good deeds which so largely constitute the acts of the profession. Hence the necessity of companies being careful as to the character and qualifications of men who act in official positions. A man to be fit for our business must be one, honest by intuition; have a high order of integrity; spurn the wrong, "eschew evil and do good." Whether you come up to this standard I will leave each one of you to decide. I can only speak for myself, and the law, you know, excuses me from testifying.

No doubt you are all patiently waiting for the last subject of my paper, "the Devil and his relation to insurance," and are anxious to know what influence the Angel of Darkness has over the people, the companies and the agents. If he is to be credited with all of the bad

things done, he certainly is an important factor in the business of underwriting, and it is my purpose to consider briefly his relation to it.

I had a dream, and in that dream I visited the other world. I seemed to be a privileged character for the time, and by the aid of a guide was permitted to enter the realms of eternal punishment. Being engaged in the fire business, you may assume that I was particularly interested in the physical and moral hazard over which the Prince of Darkness reigns. As none of you expect to go there, a description of the place would be interesting to you, but language would fail me in any such attempt. It must be seen and felt to be appreciated. My guide assured that no harm should befall me, and that I might follow him with perfect confidence. I said to him, "What is this conglomerate mass of stuff off to the right, that seems to be burning brighter and brighter?" "Those," he said, "are some of the officers of defunct insurance companies, who failed in their promises to revolutionize the business and cheapen the cost of insurance." I asked "are their assets here also?" He said, "no, they were of such a perishable character they were consumed upon the earth." "And what," I asked, "is this thin red flame off to the left?" "Those," he said, "are some of their agents, who from promises of high commissions misrepresented the companies to their patrons." I then asked if they had any other people there who upon earth had anything to do with insurance. "Yes," he said, "over beyond we have a place devoted entirely to that class, and it is so crowded that these you now see are simply the overflow." At my guide's request I followed him to this exclusive spot, and there found the fire burning even more fiercely. My guide took me by the arm, and as we passed along he explained who the occupants were. "These," he said, "are Adjusters and Special Agents, most of whom belonged to the companies whose officers you saw burning in the other compartment." "And who are those that seemingly burn so slow?" I asked. "Those," he replied, "belonged to some of the better class of companies; but who did nothing on earth but demoralize the business." "But have you no agents here?" I asked. "Oh, yes. We have them divided off into sections. This pile here are those who got the company's money mixed with their own, and were unable to separate it; and the next, those who knowingly over-insured property for the sake of the commissions involved." "But who is that solitary man standing out alone from all the rest?" "Oh, he is the only agent who ever violated the 15 per cent. commission pledge." "Have you no insurance journalists here?" "No, they are considered sufficiently

punished while on earth, by lack of patronage." "But who are those standing in a row there, and what are they holding in their hands?" "Oh, those are the sprinkler-head men, whose sprinklers failed to work for any earthly fire, and they are now trying to demonstrate their utility here." "Do they ever go off?" "Very seldom, and then only when the pipes melt." "But where do you keep those who set fire to their property, and claimants who swore falsely?" "We let them go, for they are not considered to blame, as your earthly laws excuse them." "Have you any officers of mutual companies here?" "Oh, yes, they have just begun to arrive. We have a separate corner for them, and assess the pile when we need fuel for the stock fellows." "I see no Managers or General Agents here; are there none?" He was about to reply, when suddenly I was awakened by a dig in the ribs, and a small voice said, "You are snoring!"

I now conclude with the words of the *Golden Gate*, in its advance comments on the title of my paper: We are persecuted by the world, are nearly out of the flesh, and are rapidly going to the devil.

The President—

Are there any remarks on Mr. Griffiths' paper? If not, we will proceed to the next on the list. Who more competent to speak of net results than one who, passing a large portion of his life in field work of insurance, has earned and secured promotion to an official position where practical experience, energetically applied, has brought his company substantial returns and a handsome increase of surplus? We will be pleased to hear from Mr. Eugene Harbeck, secretary of the Michigan Fire & Marine Insurance Company, upon the subject of "Net Results."

#### NET RESULTS.

Mr. Harbeck—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

Having accepted the kind invitation of your President to say a few words to you on this, the twenty-second anniversary meeting of your Association, I was at a loss as to which one of the many topics germane to our profession I should confine my remarks. On reflection, it occurred to me that the one chosen, "Net Results," being the thing we are all most interested in, would not be a bad subject to talk about, even though in practice they are so disappointing and different from those hoped for and anticipated.

It is not my purpose in this short address to weary you with statistics going to prove that the net results of the business of fire underwriting have been for a number of years growing more and more unsatisfactory ; that the margin of profit is now so small that an addition of five per cent. to either the loss or expense account means a shrinkage in assets and surplus to the majority of companies. These statistics you all have seen ; they have been prepared by able underwriters, and that they are true is unquestioned, and proven by the annual statements made year after year. That the profits in underwriting have been reduced to the danger point, that a great many companies are not accumulating surplus in proportion to the gain in amount at risk, is apparent, and that the inevitable conflagration will repeat the history of the Chicago fire of twenty years ago to-day, is by thoughtful underwriters acknowledged. It is easy to criticise ; it is hard to remedy. We know expenses are too high ; that many classes of hazards are written too cheaply ; that we are unfairly taxed, and unjustly legislated against ; that the broker and agent dictate when they should be dictated to, and that other evils exist also, all of which tend to make profits small and uncertain. It is not, however, my province to advance theories of management that will change all these things, but rather to speak of the influence of the field men upon the results of the business, and to consider the question of how you gentlemen, acting under the conditions that exist and have been created by your superiors, can realize "net results" satisfactory alike to yourselves and your employers.

The same underlying principles govern the business of selling indemnity that govern all other business ventures, and the measure of success or failure is the same. He who loses money in either is a failure ; he who makes it, a success. Income must exceed outgo, great contingencies be provided against, capital earn a fair interest, the dignity and character of the business be maintained, or failure is certain. Insurance companies are not philanthropic enterprises, but, on the contrary, business organizations created by capitalists for the purpose of making money, and hoping to make more money than the same capital would earn otherwise invested. There is as little sentiment in the business as there is in banking, the sole purpose being to make a profit on the underwriting account and to so invest the assets as will bring the largest possible returns. Every man connected with an insurance company is valuable to that company only when his services and connection with it influence the right side of the profit and loss account. To the executive officers of the company falls the



duty of financial management and of laying out the underwriting policy.

The policy of the company as to lines, hazards to be written, and territory to be occupied having been determined, you gentlemen are employed to organize the agency system and put into force the policy decided upon. You are thus placed in a position that requires the exercise of good judgment, patience, tact, and every quality that makes up the gentleman and successful man of business. Your acts will in all probability make or lose money for the company in your particular field, and no other man has it in his power to so make or mar the reputation of a company as its Special Agent. To the majority of agents he is the company, and the influence of the Special Agent upon the Local, always great, is becoming greater year by year. The Special Agent is a power in the business of fire underwriting, and those who can show profitable results in their territory hold positions of profit and honor. Their services are in demand, and in all the vicissitudes and ups and downs of the business the successful field man is certain of a position, and frequently of promotion. Likewise, the Special Agent whose field does not show satisfactory results sooner or later finds himself out of a position, for while companies are, most of them, patient and willing to accept more than one year of unsatisfactory results, eventually the man is measured by the net results in his field and treated accordingly. Especially is this true if other companies show constantly better results. Nothing illustrates the influence of the Special Agent upon the business better than the figures of the same company taken from different States when the average loss ratio is about the same. In one the figures for a number of years will show a handsome percentage of profit; in the other, a loss or a profit smaller than could have been made on the business of the principal city in the State had the Special Agent's services been dispensed with. Why is this? Certainly it is not in the management, for it has been the same in one State as in the other. Let us follow the work of these two Specials and see wherein their methods have differed, and why one has succeeded so well while the other has not. The first and perhaps the most important duty—the appointment of agents—has been performed by these two men in an entirely different manner. The one has weighed every appointment with care, has selected representative men who needed the company and appreciated the trust reposed in them by the appointment—men who, while they seldom gave a bond, always remitted promptly; who obeyed instructions cheerfully, recognizing that they were agents and

not the principals. With such a corps of agents the cultivation in each town becomes a pleasure. Having the respect and confidence of such representatives the field man carefully surveys the important risks in each locality, declining those undesirable, and, what is equally important, securing maximum lines on those most desirable. We have some Specials who are always talking of their cancellations, and how on this and that risk that burned they saved their company money. Such caution is indeed commendable, but it takes nerve as well as caution to secure net results in the insurance business, and it may be as great a mistake to cut off income as it is to have unsatisfactory losses. In the inspection of the business our Special proceeds in a most thorough and systematic manner. Making a study of the fire hazard of each particular class, and taking all of the time necessary to carefully look over each risk, always interesting the owners where possible, insisting upon such improvements and precautions as are needed, he finds himself in time thoroughly informed as to the business of the field confided to his charge. He handles the business of his field as the cashier of a bank handles the notes offered him for discount, accepting the good without hesitation (for he knows why they are good), and refusing the bad risks for the same reason. He makes the business a study, investigating the causes of fires, as well as the new fire hazards constantly presenting themselves. Risks are not accepted because "leading companies" are on, nor to help out the Local, who too often has no interest in their acceptance beyond the five per cent. brokerage paid by some other agent. Acting on his own judgment, having the courage of his convictions, and being always able to give a reason for action taken, he soon commands the respect of his most aggressive agent. The company becomes valuable to an agency controlling really good risks, as the same knowledge of the hazard which enables him to decline even small lines on poor hazards, enables him to increase lines on the good ones. Attending strictly to business, preserving the individuality of his company by acting independently, visiting his agencies alone, unless called there on committee work, he becomes valuable to the company employing him, and his position becomes more and more pleasant as the years go by. "Net results" are to him satisfactory, as he is not forgotten in the division of them. The methods of the Special Agent in whose field net results are not so satisfactory are very different. He hastens in the appointment of his agents, his anxiety to have a representative frequently causing the appointment of agents whose business methods cause not only loss of money but good name. It is, I believe,

a fact that out of one hundred agents, ten of which are unsatisfactory, the ten consume more of the time of the field man and cause more friction than do the other ninety. Further, the margin of profit being so small, one poor agent will cause the company more loss than frequently ten good agents can make profit. A good agent, where the volume of premium is sufficient to warrant a proper inspection and visits frequent enough to properly look after the interests of the company, is a most valuable acquisition; any other is a source of annoyance and eventually unsatisfactory. We know of a Special Agent, anxious to build up the business of a company, who appointed an agent whose only recommendation was that "he was a hustler for business" and could give a bond. He was untruthful, irresponsible, and sometimes "shaded" rates. I might call the name of this agent, but unfortunately there are several of him and he is demoralizing the business, making trouble in the Board of Underwriters and using up time of every Special Agent representing his companies that could be employed with profit in the cultivation of good agents. Our successful field man makes no such appointments knowingly, and if deceived he promptly severs the connection, even if the supplies have to be sent home.

The Special Agent we are now discussing does not inspect the business. He looks at it, to be sure, but his survey is not of that thorough character that develops the weak points in the risk. Suggestions for improvements are not followed up as they should be, and the pleading of the Local Agent to not cancel, coupled with the promise of dwelling houses and other good business, too frequently influence him. "Drop at expiration" is sometimes the compromise, with the result that it is not found necessary to "drop," the risk having already "gone up." One word here about "dropping at expiration": If the physical hazard of a risk is such that it is undesirable for a year, why is it good underwriting to carry it for several months, or one month, or even for a day? He authorizes questionable risks because "other companies" are on, forgetting, perhaps, that it is his individual judgment that his employers pay for and desire, and that the conditions which will warrant another company in accepting a risk do not exist with him. It being notorious that quite a number of classes of hazards are written at rates that pay no profit, the money must be made on the other classes. In this regard the business of selling indemnity does not differ materially from other business interests. "Why," said a prominent merchant who was a director of a leading company, after listening to the Manager's report, showing that certain risks had been carried without profit,

“do you not cease writing these hazards?” The Manager, answering the question in Yankee manner, replied: “Why do you sell a million dollars worth of merchandise out of your annual sales of ten times that amount on which you make no profit?” “To sell the other nine million and keep down the expense account,” replied the merchant. “I must answer your question in the same manner,” said the underwriter. Undoubtedly every class of risks ought to pay a profitable rate, and going still further, every risk of each class ought to be rated and written on its merits; but Special Agents must meet the conditions that exist, and the authorization of too large a proportion of unprofitable risks means loss to the company establishing its business, even though successful companies with a profitable business on their books may find it for their interest to accept them.

In order to favor the agent delay in remittances, if not encouraged, is sometimes permitted, and many an agent can to a certainty charge his ultimate downfall to the fact that prompt remittances were not insisted upon. “He is doing us a good business; do not crowd him, even if he is slow,” writes our Special to his company, and the agent, with the best of intentions, finds eventually that his 15 per cent. hand has been so many times into his 85 per cent. pocket that he is a defaulter.

The Special Agent who is not particular in his appointments, who does not inspect thoroughly, who permits others to do his thinking, who gossips about his business and travels with other Specials in “blocks of five,” or even a larger number, who permits his agents to become careless in their remittances, and adjusts losses indifferently, never has and never will secure satisfactory net results either for himself or those whom he serves.

Gentlemen, the competition in our business is growing, but so is the business, and there is enough to return a profit on all of the capital employed if properly conducted. Time will relieve us of many of the existing evils, for unsound methods cannot prevail always. Stockholders will demand that sound business principles be applied to the conduct of the fire insurance business, and Managers will heed the demand. Even now there are those not satisfied with the results of handling an income of over eight million dollars in New York and the Metropolitan District at a loss, and the hope that coöperation and a change in methods will make this splendid field profitable is indulged in.

Changes are taking place in both the theory and practice of underwriting, but no greater changes than we see going on in the conduct

of other business ventures. The Special Agent must familiarize himself with changing conditions and be prepared to carry into effect instructions which, let us hope, mean simpler methods, lower expenses, fewer losses, and more certain profits.

In conclusion, I thank you for your attention, and trust that "net results" may be in every way satisfactory to each and all of you, not only for the present, but for all time.

The President—

Are there any remarks to be made upon Mr. Harbeck's very able paper? If not, we will listen to the last address upon our programme.

Mr. Fox—

Mr. Chairman, before you call for that last paper, would it be in order to offer a resolution, to have it on its way? I think that, following the line of thought suggested by Mr. Bryan yesterday, in his very excellent address touching World's Fair matters, this Association can hardly let this occasion go by without going on record with a view to some demonstration in connection with the Exposition. Certainly, a business of the magnitude of underwriting should not go unrepresented, and it would seem proper that some action looking to a demonstration of some kind should be taken. It may be asked why underwriters want to have a showing of any kind. The answer may be that there is a showing to be made. First, we can show the progress in our contract, comparing a modern contract with one of the early ones in the history of fire insurance; we can show progress in our assets, in our records. Beginning with the individual underwriter's bond, we come to the first policy written by a corporation, and we can show a policy now written by a corporation, showing the steps in advance made by corporations under the laws of the land. Then, again, there may be a convocation of underwriters from all over the land, from whom we can learn much of pleasure and profit. It is in this line that I wish to offer the following resolution:

*Resolved*, That in view of the great opportunity presented the underwriters of this country, upon the occasion of the approaching World's Columbian Exposition, to bring together the leading underwriters of the civilized world for conference and mutual profit, and the necessity for early and intelligent action looking to such convocation, that the President of this Association appoint, at this meeting, a committee of representative underwriters, members of this Association, to act for it in conjunction with the Insurance Congress Auxiliary of the World's Fair, and to take such action as may be calculated to secure such a convocation of underwriters,

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and such a display of underwriting features, as may be fitting as a component part of the great Exposition, and as shall redound to the credit of the Underwriters of America and to the City of Chicago.

The President—

Gentlemen, you have heard the resolution offered by Mr. Fox. Are there any remarks?

Mr. Hine—

I would like to say a word in connection with this resolution. I have had some little opportunity to become posted in regard to the functions of the Auxiliary Congress mentioned in the resolution. I was a little puzzled in the outset to know just what it all meant, and it is barely possible that others may not have a clear idea of the distinction between the Exposition and the Auxiliary Congresses. They appear to be two entirely separate matters. The exhibit, if any, will be made upon the Exposition grounds, either in buildings provided, or in buildings erected by those who propose to make the exhibits. The Congress relates to men, and not to things; it relates to mind, and not to matter. I believe it is the intention of the managers of the Fair to provide a great auditorium, where a good many thousand people can come together and listen to men gathered from all parts of the world—the greatest thinkers and the greatest speakers on the subjects that shall be brought before them. In connection, there are to be provided, I believe, numerous smaller rooms, where a dozen or twenty conventions of various kinds can be going on—rooms that can accommodate 200 and 500 people. Now, this Congress business, as I understand it, is for the purpose of bringing together the men, of eliciting thought, providing the opportunity of listening to the speakers—men of this country and of all countries; but the exhibit is to be made upon the Exposition grounds, and is an entirely separate and different matter.

It is rather an abstruse question to answer—what has insurance to exhibit? It has its documents, it has its historical matters. Insurance by means of models, of charts and diagrams, can show forth its progress. I think there were, in the French Exposition, large mural tablets of one sort and another, setting forth, by means of painting, drawing, and by various graphic methods, the progress of insurance in France and elsewhere. When we come down to details, this is hardly the place to talk this subject over, because it is a matter that will tax our ingenuity to the utmost, but I heartily favor the appointment of a

committee, as contemplated by this resolution, and the action which is proposed to be taken, and I sincerely hope that the convention may take a favorable view of the matter and vote "aye" upon the resolution when it comes to its passage.

The President—

Are there any other remarks? Do you care to hear the resolution read again, gentlemen?

Cries of "Question!" "Question!"

The President—

The question is upon the resolution which provides, as I take it, for the appointment of a committee to do whatever may be necessary on behalf of this Association, in connection with the question of the World's Fair. Do I state it correctly, Mr. Fox?

Mr. Fox—

That is correct.

The President then put the question and the resolution was adopted.

Mr. George W. Hayes—

As a rule I am not in favor of printing extra copies of addresses, but Mr. Harbeck's paper was so clear, precise, well-expressed and practical in its recommendations, that I would recommend an extra edition of 200 copies be printed for the use of members.

The motion was seconded.

The President—

If Mr. Hayes will allow a suggestion from the Chair upon that subject, it is one which has been troubling the previous Board of Directors as well as the one which served this year. Arguments have been made *pro* and *con*, and several times has the convention ordered a selection from the list of papers of one or two to be specially honored in this way. In the opinion of the Board of Directors it has been a detriment to the Association. A practical suggestion was made to me last evening by a visitor. Why, the question was asked, should even Mr. Bissell's address be specially selected to be printed in pamphlet form and thus buried? Why not give it to the insurance papers? They will see that it gets a wider circulation than a thousand copies in pamphlet form can give it. I simply offer these remarks as a suggestion in regard to this resolution which has been moved and seconded.

Mr. Hayes—

The reason was, Mr. President, that the members, especially the younger members, might have it for reference. I think there is a great deal of practical value in the paper, and it will be of use to younger members if they can have it at once for perusal and study, and I think it would be appreciated.

The President—

I would add that there is a special By-law preventing the printing of papers in this way. Of course, any By-law of that kind can be set aside by unanimous action, and it can be done in this case, but I beg to remind all the gentlemen that there is no fund in this Association available for use in this connection. The receipts from year to year are applied to the printing of our Annual Proceedings and for the necessary expenses incurred in our meetings, and there is a very slight margin. We have before been in a dilemma in regard to finances which we have overcome, and we can, of course, find some way to meet any deficiency at this time.

Gentlemen, you have heard the resolution offered by Mr. Hayes, that a thousand copies of the paper read by Mr. Harbeck, entitled "Net Results," be published for distribution. Are you ready for the question?

Mr. Howard P. Gray—

There is no one in the Association, I think, who appreciates that paper of Mr. Harbeck's more fully than I do. I took occasion to ask him, as he was going out of the room, for a copy of it, and, if he did not have one, to have one made at my expense and send it to me. My object in getting on the floor at this particular stage is that, in the light of the By-law which affects this matter and seems to put a stop to any such thing, I should hate to see the resolution put and defeated, which it would have to be under that By-law. I would like to have Mr. Hayes withdraw his resolution and let those who want a copy of the paper get it through the medium of the Insurance Press.

Mr. Chas. Lyman Case—

It seems to me that the paper which we have had from Mr. Harbeck is certainly one of the most valuable and practical papers presented at this meeting, or any previous meeting of the Association, but at the same time, with full admiration of that paper, it does seem to me to be quite invidious to pick out any one paper for special publication, and it was because this was the opinion of the Association that the By-law



to which you refer was passed. I hope that our good friend, Mr. Hayes, may see his way clear to withdraw his motion.

Mr. George H. Moore—

Mr. President, as I also desire that Mr. Harbeck's paper have a wide circulation, I will guarantee the expense of its publication.

Mr. Bowers—

I will say, for the benefit of the members, that arrangements have already been made for the printing of that address.

Mr. J. O. Wilson—

We have just gotten to the point where, with your permission, Mr. President, I would like to say a few words. The proceedings of this meeting have been of an unusually high order and of great interest. They are about to culminate in a subject which has an exceedingly practical point: the net result and the relation of the Special Agent to it. I cordially admire that way of putting the subject. It is not trite or voluminous of detail, but it brings right down to the point the value of the men right here before us and who are to come here in meetings that are to follow after this. What is the relation of this body of gentlemen to net results? Now, we have a club here in this city that several seasons ago considered questions of this sort: What would you do if you were Czar of Cook County? Now, imitating that question a little, I want to ask, at the close of this meeting, this practical question of my old friends and the new ones who are here: What will you do now in view of all you have heard?

Now, if I had the good fortune to be a Special Agent, I would go home with a very largely increased sense of my representative capacity. I think I should take away with me a new sense of the large interests that I represented, in capital, money, influence. I follow the line of the President's address in that thought. I should also take with me this thought, an enlarged sense of my associated capacity. I am not alone; I am working with a body of gentlemen who see as I do, living upon a higher plane of official duty and pulling all together for results. I should go home with an enlarged sense of my individual capacity, and thus with an enlarged sense of my opportunity of doing good. I should endeavor to carry out several lines of thought that have been presented here. It is exceedingly fortunate that the gentlemen all fall in love with these addresses, for they are exceedingly good. Now, I would like to circulate Brother Wilder's address all

over this country. I think it is the hardest-hitting thing I have heard in a long while. If that man shoots that way at random, heaven save the man who gets in front of him when he aims. That is a great document, and the merchants and manufacturers all over this country ought to have a chance to read it. And Mr. Harbeck's paper—I would also like to sow that broadcast. I think Brother Wilder might afford to print thirty or forty thousand copies of his paper. But I take this opportunity of saying to my old comrades and the younger men in the profession, that I have never attended a meeting that has been upon so high a plane, so full of real solid good matter as this one. Now, therefore, to get back to the point where we began, what will you do about it? Shall all this good seed fall to the ground? Will you pull together for united inspection? Will some of you gentlemen try to become expert inspectors? You will be needed before you are ready. Will you pull together on the coroner question? When you go to Cincinnati or Des Moines, will you take the Local Agent by the hand and tell him all about it? Will you sow this good seed over and over; carry out these suggestions made in these different papers, working somewhat in the spirit of the address of my friend Page? If you will do this, gentlemen, this meeting will be as productive of good as it has been of interest. I am very glad that it has all converged down to this one thought—the relation of yourselves to the net results.

The President—

Mr. Hayes, do I understand that your resolution is withdrawn?

Mr. Hayes: Yes, sir.

The President—

Gentlemen, you see how easily we meet and overcome all obstacles that may be encountered by this body.

Mr. Fox—

I would nominate the following committee in connection with my resolution on the World's Fair: Mr. George F. Bissell, Judge Cary, Mr. A. Williams, R. J. Smith, I. S. Blackwelder, C. E. Bliven.

Secretary Munn—

I think, gentlemen, that Mr. Eddy's name ought to be added to that committee.

Mr. Howard Gray—

I second that motion most heartily.

Secretary Munn put the motion, which was carried.

The President—

I was hoping I was approaching the time when I could lay down some responsibility, but, if I understand the resolution rightly, it means a good deal of work on the part of somebody to have this noble Association take a proper position at the time of the World's Fair.

We will now proceed to consider the last topic upon our programme. Insurance journalism, in the past, has been elevated to a very high standpoint of efficiency, so that it has become, in the estimation of all of us, an indispensable arm of our profession. One of the promising lights in this profession is Mr. Charles A. Hewitt, who has promised to address us on a subject which, twenty years ago, was handled in such a vivid way by the father as to bring undying fame to the name of Hewitt. I have the pleasure, gentlemen, of introducing Mr. Charles A. Hewitt.

#### THE GREAT CHICAGO FIRE OF TWENTY YEARS AGO.

Mr. Hewitt—

MR. PRESIDENT AND GENTLEMEN OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST:

Before proceeding to my address proper, I wish to say a word in self-defense. I stand before you very heavy at heart and very light in purse. Confidentially, the truth is that I have been going about for the past two days offering the members five dollars a head to be present at this session and listen to my address, and while all those whom I approached did not accept, there are enough here now to bankrupt me.

That sparkling writer and eminent mugwump, Mr. George William Curtis, has developed the idea that the son of a brilliant man labors under obvious difficulties. Therefore the nominal disadvantages under which I appear before you are considerable, and these are enhanced by the importance of my subject and the galaxy of talent round about me.

Commemoration of an event that must be forever memorable in history is worthy of one more competent than the speaker, who, while appreciating your kindness and asking your indulgence, sincerely regrets his inadequacy to the subject.

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How to introduce this great disaster was a passing problem with me. The usual prologue to subjects of this kind is not wanting in tragic colors, expressive adjectives and startling figures. But since Chicago came modestly into the world, I have determined to first ask you to join me in a hurried backward glance at

### CHICAGO FROM 1800 TO 1871.

As we gaze about us to-day, it seems incredible that at the beginning of the present century the Indian held almost undisturbed possession; and we can imagine that even the old settlers, who swapped narratives in the old taverns and horses with the Indians, who hunted large game on the sites of our present business buildings, and who for years drove their oxen over zig-zag roads of bottomless mud, can hardly realize what they themselves have witnessed. Passing over the birth of the first white child in 1804, the Ft. Dearborn massacre in 1812, and the temporary residence of Gurdeon S. Hubbard, afterwards the first insurance agent, in 1818, we come to 1821-22, when there were but two habitations other than those occupied by the employes of the government. The first tavern was erected in 1826, to only five houses. Those old taverns, by the way, have a prominent place in the early records. They were decidedly wet resorts, and it would seem as if some earlier Brown-Sequard had poured a powerful tonic into those pewter mugs and old-fashioned glasses, for the men who drank therefrom were presently to distinguish themselves before a wondering world. They were to set the city on jack-screws and walk it about for exercise; they were to bore under the lake and tunnel the rivers; and they were to turn the course of the Chicago river itself, then as translucid and beautiful as now, but then minus that luxuriant crust on which our later-day gondolas go about on stilts.

In 1830 the town was platted. Three years later it erected its first brick house and became an incorporated village, with 175 buildings, 550 inhabitants and twenty-nine voters. The years 1834-35-36 witnessed a congressional appropriation for the harbor, regular weekly steamboats, a stage line to St. Louis, the appearance of two weekly papers, the opening of a bank and a land office, an era of speculation, and the commencement of the Illinois and Michigan Canal. In 1837, the year of the panic, Chicago became a city, with 472 buildings, 4,100 inhabitants, and an area of ten square miles. The grain trade was started in 1838, and the first daily paper appeared the year following. During the first decade the new city made no great progress. The

year 1848, an eventful one, is credited with the first steam elevator, the organization of the Board of Trade, and the commencement of the first railroad.

The next ten years were marked by material advances. In 1857 the grade of the city was raised seven feet, and in 1860 the population had attained 110,000. Five years later the lake tunnel and the Union Stock Yards were commenced. From 1860 to 1870 Chicago made phenomenal progress. In grain, lumber and manufactories it was fast attaining a prominent place, and the entire country was already listening to the bellow of its bovines and the wild shrieks of its expiring pork. Meanwhile, the daily papers were filled with accounts of the extraordinary doings of its extraordinary people. The world read these things and marveled at the miraculous city that had sprung up out of the Western prairies.

IN 1871

Chicago had a population of 334,000 and an area of eighteen square miles, the limits extending north to Fullerton avenue, west to Western avenue, and south to 31st street. The fire department had 201 men, seventeen steam engines, the usual auxiliary apparatus, and 35,250 feet of hose. Along the south branch, from Harrison to 22d street, was one long stretch of lumber yards and planing mills. West and southwest of these were two solid miles of the cheapest and meanest dwellings, barns and sheds, many of them being elevated on six or eight foot posts, as if to provide special conduits for the flames. John McGovern, whom some of you know, has written "*Daniel Trentworthy: a Tale of the Chicago Fire*," which interesting narrative throws some additional light on this southwestern section. Daniel, as a member of the fire department, was sent to inspect Forquer, Ewing and DeKoven streets, and their environs. The streets were filthy, narrow and close together, while the one-story tinder-box habitations were so compact and neighborly that if a man ran his head out of his own side window he ran it into that of his neighbor. The stables, pressing closely to the back doors, opened into sixteen-foot alleys, in which piles of shavings for bedding and dry rubbish communicated with the stables over the way. This was the condition of things for squares and squares. Amidst such favorable surroundings the O'Leary cow bided her great opportunity.

It appears that there had been some agitation of a fire ordinance, and we read in "*Daniel Trentworthy*" that it was about this time that the "Hon. Barney O'Hallaghan," of DeKoven street, made his celebrated speech against brick and stone in the city council: "Oi kin

## *The Great Chicago Fire of Twenty Years Ago. 187*

build av bhrick, or Oi kin build av sthun-av Oi want tew! But moi khonchit-chew-wants, they sez wod; and wod says Oi." Irrefutable argument, truly. And "wod" continued to prevail, not merely in the southwestern portion, but all over the city. The West Side, the South Side (south of Harrison street), and the North Side, in which more interest centers, were more than four-fifths wood. Even after including the business district, over two-thirds of the city's 60,000 buildings were wholly or partly frame. Yet the builders were not satisfied. Throughout the spring and summer of 1871 long rows of frame buildings sprung up on leased ground with the rapidity of "Jack and the Beanstalk."

Though there were some substantial buildings in the business district, the great majority of even the more pretentious ones were merely brick veneer over wood, or soft stone, with combustible insides and frail supports; some harbored unprotected iron posts; some essayed wooden collars or cornices, wooden roofs, and wooden flounces between the windows; others stood like skeletons in thin armor to their waists or shoulders, with a trunk or bust of tinder—two or three stories of mansard roof; while here and there, and everywhere, in the very heart of the business center, were old frame buildings, squatting between the stones and bricks, and serving as combustible meat for the architectural sandwich. Then, to complete the inflammability, there were miles of wooden pavements and wooden sidewalks with hollow spaces beneath, and numerous tarred roofs and wooden spires. In addition to all this, the city thirsted for water. During the summer and early autumn but little rain had fallen, and a dry, hot southwest wind had blown in from the prairies for weeks and weeks, absorbing all moisture, curling up the shingles and drying the combustibles to tinder. Such was the condition of Chicago at the beginning of that calamitous October.

SATURDAY EVENING, OCTOBER 7,

a fire started in a lot of cheap buildings on Clinton street, near Van Buren, and burned northeast through the lumber and coal yards on the river, devastating some thirteen acres. The unusual features were the peculiarly electric atmosphere and the unparalleled flight of the sparks. It was remarked that Chicago was in danger of a destructive fire. That danger was greater and more imminent than people thought. Sunday was a dreadful day. The wind was dryer and fiercer than ever, and had a breath like an oven. Sunday evening, October 8, in the rear of 137 DeKoven street, at a quarter before 9,

## THE GREAT CHICAGO FIRE

started in a rude stable opening into one of these squalid alleys which have already been described. Two theories as to the cause have been advanced. Ignatius Donnelly maintains that a comet's tail was the responsible party, but the popular theory is that it was the tail or the hoof of Mrs. O'Leary's cow that upset the lantern that burned the barn that burned Chicago. After all that has been written, and so ably and graphically written, I shall attempt no elaborate description.

The firemen found only three sheds ablaze, but they had scarcely commenced work before flying sparks and brands were kindling new fires several blocks in advance, as the original fire leaped over or ran under the elevated tinder-boxes to join its advance guards. Thus there was soon developed a conflagration which, defying the firemen and aided by the southwest gale, burned over 170 acres of wind-dried and sun-baked combustibles in just two hours. It first crossed the river near Van Buren street, and also entered the South Side through a miserable wooden building next to the gas-works and tar-works. In a very short time Commercial Chicago was doomed.

As the conflagration increased, the heat increased and the gale increased, and under the reciprocal action and fearful coöperation of these three, the destruction was more than words can tell. Great columns of fire, now mounting high in air, as if to take breath and new force; now bending down and flattening out in widening sheets of flame, and now massing themselves in solid front and surging straight against the commercial ramparts, swept over the business district with unparalleled fierceness and fury, obliterating all before them. These columns moved from the west and southwest to the northeast, east and north, the right-hand column also burning sidewise to the south. Rows of continuously substantial walls, embracing some really noble structures, went down before the resistless fire as did "dissolving squadrons and whole battalions" before another sort of fire at Waterloo.

Stone, iron and even brick could no more withstand the hot blast than a kite a tempest. Stone either cracked and crumbled, or apparently exploded, as it was soft or hard; and iron was either fantastically twisted, as if by a crazy giant, or converted into a molten mass. Frame buildings were literally eaten up, and the fire consumed the board sidewalks, charred the wooden pavements, drove the firemen from their own engines (in some instances destroyed the engines), and curled up the horse-car tracks; and even flaked and blistered the walls of the tunnels under the river.

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Meanwhile the white-vapored heavens were starred with sparks and frightful with blazing bits of wood and even burning boards, all being blown hither and yon, and far in advance, by the still increasing gale. As on the West Side, only more than there, these ominous flyers served • as skirmishers in the destruction. They flickered about the wooden cornices, ran the gauntlet of the wooden flounces, writhed and clambered about the steeples, transformed the mansards into crackling flames, and dotted the parched shingles and tarred roofs as far north as Lincoln Park. To complete the work the main columns came rushing after, with their red emissaries evermore in the van. Sometimes a building ignited in a dozen places at once. Running under the hollow sidewalks, one fire entered the basement as others crawled under the eaves, burst in at the windows and burned down through the mansard roofs. Streets and alleys were congested with fire, the flames often meeting midway across and as often opening front doors into back yards. Buildings under lateral fires, in the teeth of the gale, burned in the conventional way, but those in the course of either remorseless blow-pipe were thoroughly roasted before it reached them. The combustion was perfect, and the air at least incandescent. It is related that at Peshtigo the fire went through street and field in a solid wall, after the manner of the "moving grove" which advanced on Macbeth at Dunsinane. As voices were audible at unusual distances, the phenomenon was charged to electricity, which was certainly omnipresent at Chicago.

The court house, following the chamber of commerce, and already at a white heat, succumbed at 2:20 A. M., burning in less than thirty minutes. Not long afterward, the shingled water-works on the North Side fell a prey to the incendiaries of the air, after which the windward fires quickened their march toward Harrison street on the south, as the right-hand column swept eastward toward the lake. Meanwhile, the left and main column, which had cut a direct path about a mile wide from DeKoven street to the court house, rushed down Washington, Lake and Randolph streets to Dearborn, where it crossed to the North Side at 3:30 Monday morning. There it broke into billows of flame, which rolled over that large area of "tinder and treasure" until it became as a surging sea of fire, tossed and dashed and lashed by the terrific gale.

The elevators, warehouses and manufactories burned high and wide, and the frame buildings, sending forth millions of sparks, were leveled and devoured like the dried grasses of the prairie. The fire burned all day Monday and until it burned itself out at Fullerton



avenue, some time after the lateral fires on the South Side had been arrested by blowing up some valuable buildings.

On the West Side (including the Saturday night fire), the destruction embraced 195 acres and about 500 cheap buildings; on the South Side, 460 acres and some 3,600 buildings, including the wholesale establishments, newspaper offices, 1,600 stores, 28 hotels, 60 manufactories, and the best structures generally; on the North Side, where the ruin was most rapid and widespread, 1,470 acres and 13,300 buildings, including 600 stores and 100 manufactories. Including streets, the total burned area was nearly  $3\frac{1}{3}$  square miles, bounded on the north by Fullerton avenue; on the northwest and west by Halsted street south to Chicago avenue, and thence south on Clinton; on the south by Harrison street, and east by the lake. The aggregate loss comprised 17,450 buildings, about 275 lives, and property valued at \$190,000,000. The court and county records, covering the registers of deeds and mortgages, were consumed, and \$1,500,000 of currency in the sub-treasury, and public and private collections of books and paintings met the same fate. Over 98,000 persons were rendered homeless.

As to the retreat and suffering of these homeless, the half was never told. With the fire in hot pursuit, they pressed on out from the stricken city in caravans such as were never witnessed before or since. Motley caravans, comprising all ages, all conditions, all nationalities; conglomerate caravans, in which men, women and children, horses, wagons and hand-carts were inextricably commingled, and all pushing, struggling and pressing forward, some helpless, some helpful, and some trampling others down! They went off into the lake and out into the parks and open prairies, out under the blazing skies to sorrow and to suffer. Those first two nights were longer than nights. Each minute was an hour, and in thousands of instances an hour that added years to a life. Some men could not look on that fire and its succeeding horrors and retain their reason. Yet, even among the sufferers there were occasional touches of the humorous. McGovern tells us of a fiddling philosopher on a north pier: "Chicago is at the front," he said; "give her a chance, and she will beat Rome." Elsewhere we read that a good old lady hugged a grunting pig to her bosom, as if to preserve one of the main industries. The great majority, however, were unable to discern one ray of light during those first dreadful hours.

But they were not to remain in darkness long. The fire that melted Chicago burned its way into the heart of the world and kindled it into a sympathy magnificent, which found expression in

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### A CHARITY SUBLIME.

For down from the West came the bidding, "O Queen, lift in courage thy head !  
Thy friends and thy neighbors awaken, and hasten with raiment and bread !"  
And up from the South came the bidding, "Cheer up, fairest Queen of the Lakes !  
For comfort and aid shall be coming from out our savannas and brakes !"  
And down from the North came the bidding, "O city, be hopeful of cheer !  
We've somewhat to spare for thy sufferers, for all of our suffering here !"  
And up from the East came the bidding, "O city, be dauntless and bold !  
Look hither for food and for raiment—look hither for credit and gold !"  
And all through the world went the bidding, "Bring hither your choicest and best,  
For weary and hungry Chicago, sad Queen of the North and the West."

There is no exaggeration in Carleton's beautiful lines. Almost before the fires were out the relief trains and the committees of the nation were beginning to arrive, and money, food and raiment poured in on them from all sides. Almost everybody was imbued with the spirit of giving, from England's queen to New York's newsboys. We have no time to detail the contributions, or dwell upon the systematic and expeditious manner with which they were distributed by the Chicago Relief and Aid Society. To feed, house and clothe upwards of 80,000 people was a great work, yet we read that "by Tuesday evening every homeless soul" had been provided for. As late as November 7th the Society was still aiding 60,000, and very many were dependent for months. Among them were numerous high heads suddenly laid low. The "bureau of special relief" was charged with "cases of peculiar delicacy, from the former respectability of the sufferers." One writer gives the money contributions as \$3,500,000; the necessities of life represented a great deal more. Men who had shed no tears over the loss of the accumulations of a life, wept like little children at the universal munificence.

Gazing on the neglected body of William the Conqueror, Dickens said that "it were better to have conquered one true heart than England." Different nations have had their moments of great national triumph—martial, political, industrial, and otherwise—but one of the greatest of each and of all was registered at Chicago in this international triumph of the heart. And surely, the words of sympathy and encouragement that fell from the lips of the world through its mouth-piece, the press, were sweeter music than the bugle-call to arms, or the song of victory in battle.

Meanwhile there had arrived

## THE GREAT COMMERCIAL RELIEF CORPS,

the fire insurance adjusters, and with the arrival of each adjuster a star appeared in the commercial darkness. True, as you know, some of the stars twinkled but feebly and soon went out, but others shone forth clear and strong (with the light of 100 cents), and still others continued to shine until they could shine no more. Two hundred and one companies, from sixteen States and one foreign country, were involved in the Chicago fire, having a combined capital and surplus of \$95,214,151. These companies had \$100,000,000 at risk in the burnt district, and adjusted their claims at \$90,000,000. Nearly 70 companies, with a capital and surplus of \$24,867,169, were retired. In amount and per cent. of payments, the companies of New York, Connecticut, Great Britain, Massachusetts, Ohio, Pennsylvania, California and Rhode Island took the lead. With a few exceptions, the Chicago companies (some seventeen of which sought retirement and oblivion in the then national bankrupt law), paid only from 3 to 8 and 10 cents on the dollar. (All references to Chicago companies of 1871 are not to be construed as reflecting on the Chicago companies of the present.)

In the aggregate, the 201 companies paid between \$45,000,000 and \$50,000,000 to the sufferers. Converted into five-dollar bills, the latter amount would make a greenback ribbon from New York through Chicago to Davenport, Ia., or a legal-tender blanket of 38 square acres. In one-dollar bills it would make a railroad track (two rails) from New York city to San Francisco. Who would not ride on this railroad track? Who would not wrap the drapery of this blanket about him, and rise up like the unmentionable bird from the ashes? As will presently appear, Chicago did both. But it cost the fire insurance stockholders somewhat to pay these fifty millions. When Old Moneybags in the play declares that he will save the bank if he has to mortgage his house and mother-in-law to do it, there is rousing applause. When these stockholders went deep into their pockets to pay their liabilities in full, they, too, were entitled to some measure of applause. Still, the world does not yet thoroughly appreciate the heroes of trade; but in that good time coming, when Hercules with his club shall have given way to the good Samaritan, men who go to rescue will be regarded with larger favor than those who go to destroy. In that good time honest fire insurance and honest fire underwriters, not in any ideal or ultra-sentimental sense, will be regarded less in

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the light of "monopolists" and "extortionists," so falsely called, and more in the light of commercial benefactors.

Since the great fire that familiar picture of Atlas supporting the world on his shoulders has been less difficult to understand. Atlas had a ready-made world, an established business, as it were. Chicago had to first lift itself from its own ashes, and then create a new world. The work of pulling down the fragmentary walls and removing the three and a third square miles of conglomerate ruins was a herculean one in itself. Many localities would have been overwhelmed at the mere prospect. But Chicago went valiantly to work on

### THE REBUILDING,

which, as has often been said, was even more wonderful than the city's former growth or the awful suddenness of its fall. The fifty millions paid by the insurance companies were powerful aids. Without them, the rebuilding would doubtless have been prolonged for a generation or more. Undaunted and indomitable Chicagoans might have planned the most splendid and solid reconstruction, but it required the hard cash to convert their plans into brick and stone. Without Isabella's jewels Columbus could never have discovered the new world.

Eastern creditors at first doubted the city's ability to pay. Speedily the word went back that both municipal and commercial obligations would be paid in full, if a little time was granted. Time was granted, and the promises splendidly fulfilled. The first temporary business building erected in the burnt district contained this inscription: "All gone, except wife, children and energy." Thus did our merchants go back to begin again, with noble courage and intrepid determination. "I must hurry up," said a man who had been urged to stay awhile in old St. Louis, "or those Chicago fellows will have the city all built up again." A month after the disaster great progress had been made. During the first year \$40,000,000 were expended in new buildings, covering an area of nearly ten square miles. In a few years but few vacant places or relics remained. It was this rebuilding which gave rise to the saying that a few years in Chicago are a generation elsewhere, the truth of which statement is just now being demonstrated at the World's Fair grounds.

### THE LESSONS AND EFFECTS

of the Chicago fire were many and varied. We have only time for consideration of the more essential ones: First, and very important

to the property owner, it proved the unreliability of purely local companies in the event of a disastrous fire in their locality, and that agency companies are the only permanently reliable ones. The fundamental idea of fire insurance is the dissemination of risks over a wide area, so that the losses shall not "bear ruinously on any, but lightly on all." In flagrant violation of this idea, the Chicago companies had courted a spirit of exclusiveness, and, as it were, built a Chinese wall about the city, seeking to monopolize all the risks thus enclosed. Proportionately to their success in this, and they did succeed to the extent of \$35,000,000 at risk, Chicago suffered, as Boston suffered a year later, and as all cities must ever suffer under similar conditions. A city cannot safely insure itself, but cities and towns may insure each other, which means national and international, or agency fire insurance.

Just after the fire certain diminutive New York companies, long since deceased, advertised Chicago's weakness as their strength. "Our business is confined to Manhattan Island," they said. This gave rise to a satirical advertisement, adorned with a rooster and two jackasses, and evidently prepared and published by the agency companies. It read:

THE TOM TIT FIRE INSURANCE CO.—This company had no risks in the Chicago fire. Its business is confined exclusively to Coney Island. Capital, 50 cts.; Accumulated Surplus, 7 cts.; Capital and Surplus, 57 cts. Harry Timid, president; Joe Brainless, secretary. The Tom Tit offers certain indemnity for loss of all kinds of property against *small* fires.

Companies operating under stock notes or paper capitals were literally consumed. The residue was not sufficient for the merest outline of corpse. Even the paper stockholders could not find enough for a respectable inquest—though it is not on record that any of them were burned to death in the attempt. Most of them were in the forefront of the retreat, doubtless bound for the "Cross Road Corners of Chaosville," in search of those "securities" which were either past finding out or not worth the search when found. Chicago's experience with paper companies should never have been forgotten by the property owner. Yet, strangely, paper indemnity still finds favor in certain quarters.

As regards fire insurance companies, the necessity of making provision for extraordinary losses received a terrible emphasis. Companies that had allowed stockholders to extract all the meat in dividends, "leaving only the bare bones of capital," were burned to a

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cinder. Great conflagrations occur with regular irregularity, and, in the light of the Chicago fire, successful fire underwriting is not for one year or ten years, but for the half century. The lesson is as valuable now as then, though some companies seem to have forgotten it. Equally old and equally valuable is the lesson as to sufficient rates, which were and are a prerequisite to any adequate financial provision against large conflagrations. The year 1871 found the business demoralized. Greedy rate-cutters had precipitated a general scramble, with the usual bad faith and worse practices. Many companies were on the verge of dishonorable failure when the Chicago fire afforded them a semi-honorable death. But the surviving companies readily recognized the necessity of concerted action, through associations and honorable compacts, to maintain and equalize rates, regulate commissions, improve risks, secure better fire protection and building laws, and thus uplift and improve their own business, and, indirectly, promote the general good. Boards and compacts were speedily organized all over the country, and from then till now the strongest and best companies, the ones best able to meet conflagrations, have been members of these organizations. The companies owed this action to themselves and their stockholders, and they owed it not less to the people, who, in turn, owed a generous support to the companies.

Unquestionably, the people entertained this comprehensive view for a time. Their experience with cheap rates had been expensive; they had sorrowfully learned that no company could furnish the substance at the price of the shadow; they reflected that good indemnity was worth a fair price; and they recognized their own interest in having the companies steadily strengthen themselves for future emergencies. Outside of Chicago this comprehensive view was too short-lived, to be sure, but in this city it still obtains to some extent. As a class, no business men more thoroughly appreciate the work, worth and requirements of good fire insurance than those of Chicago.

The Chicago fire developed character. Jove's thunderbolts were forged in Cyclops' forges—quite hot in their way, but not equal to the great fire. Commercial Chicagoans emerged from the Bessemer process infinitely stronger and more durable than the metal of that name. They came forth to subordinate misfortune, rebuild the city and pay their debts, and in struggling up from under that tremendous weight of ruin they developed an almost superhuman energy, and established their credit unto the uttermost parts for all time.

The effect upon municipal legislation on fire protection and structures was most salutary. Better fire departments, improved water supplies and water-works equipped for emergencies, rigid fire ordinances, and stronger and less inflammable structures became very popular, while continuous combustibles adjacent to the business district, and frame buildings within that district, came to be regarded as offenses and menaces which cities could ill afford. Chicago, particularly, was quite willing to do the needful in these directions, and though some of its recent buildings, like Tom Hood's fir-trees, "nearly touched the sky," the effect of the fire is still apparent in the usually solid construction and in our superior fire extinguishing facilities. In the respects considered, as in others, the Chicago fire was a great blessing, as all historic fires have been since, and including the one in London in the "Merrie Monarch's" reign.

The effect on taxation was not as beneficial to fire insurance as it should have been. The old-time barons used to take possession of the rocky promontories and levy toll on all who passed beneath. In 1871, as now, Illinois and other States levied their State, county, city and town tolls—a great burden in the aggregate. Illinois also had a law requiring a deposit of \$200,000 from foreign companies. After the fire this law was forthwith repealed, and the doors immediately opened with an emergency clause expressing the necessities of the people. Otherwise, our condition has not improved as regards taxation. Reputable companies do not object to, but favor any requirement that will at once protect the people and protect the companies from irresponsible competition. But the bulk of taxation is as unnecessary to protection as unjust to the property-owner who is obliged to pay it in increased premiums. Every dollar paid for good insurance, of any class, by so much lessens the probability of the policy-holder becoming a tax on the community, and it is difficult to understand why he should be taxed for thus reducing the tax list.

If this address were not already too long, I should be glad to contrast the splendid and substantial edifices of the present with those of 1871; to show how Chicago is now the second city of the New World in population and commerce, erecting fifty miles of new buildings a year; and to introduce statistics illustrative of the city's growth in the last two decades. But, as a matter of fact, the statisticians cannot keep pace with its progress. Many of you remember Judge Cary's celebrated illustration. It has been quoted many times, but is worthy of repetition here: "No artist can paint Chicago, for when he has

made his sketches and withdrawn to his studio to transfer them to canvas, lo and behold! Chicago has outgrown the picture."

Mr. T. H. Smith—

Mr. President, it is said that he who ruleth his temper is better than he who taketh a city. When Mr. Hewitt started in with his address I felt—well, five-dollar bills lying around, and I not in the midst of them! I wanted one and did not get it. But as his address proceeded I came to feel a little easier, a little better, and somewhat as they did in the East at the time of the fire : we'll give him a little more time. Then it crossed my mind that our business frequently calls for compromise, and so, if he will send me a copy of his paper I will let him off on the five-dollar bill.

I move you, sir, that the thanks of the Association be extended to Mr. Hewitt for his very able and interesting address.

The motion, seconded by several members, was carried.

The President—

Now, gentlemen, I will read the report which has been handed to the desk by the committee appointed to receive the handsome gift of Mrs. Peetrey :

REPORT OF COMMITTEE TO RECEIVE THE GIFT  
OF MRS. PEETREY.

MR. PRESIDENT :

Jacob Peetrey, of Ohio, devoted his life and energies to the fire insurance business, and was an original member of the Underwriters' Association of the Northwest. He always labored for the success of this Association, and his genial presence ever adorned our regular annual meetings. Proper eulogies on his life and character have here been made, and appropriate resolutions on his death recorded.

Mrs. Peetrey knew his affection for his associates in the Northwest, and she has very generously donated her husband's insurance library to this Association.

Your committee recommend that this kind gift of this noble wife of an honored husband be accepted by this Association by a rising vote; that the books be properly labeled by the Librarian; and the Secretary be directed to communicate the action of this Association to Mrs. Peetrey.

CHARLES RICHARDSON,  
W. F. FOX,  
L. J. BONAR,  
*Committee.*



Motion was made and seconded that the resolutions to Mrs. Peetrey be adopted. Carried unanimously.

The President—

We have at this meeting of our Association, through the various papers read, looked over the past, studied the present, and through the splendid address of Mr. Bissell, looked far enough into the future to see the ideal of the coming underwriter. We now approach the official business of this convention—the election of officers for the ensuing year. First will be the report of the committee naming a Board of Directors for the ensuing year. After hearing the report of the committee nominating the Directors, we will take an intermission of five minutes before proceeding to the election of officers.

Mr. Frank Van Voorhis, as chairman of the committee to select a Board of Directors, submitted the following list of names as the choice of the committee:

REPORT OF COMMITTEE TO NOMINATE THE  
BOARD OF DIRECTORS.

Allen E. L.	Heywood P. P.	Munn E. V.
Black J. P.	Holman C. J.	O'Brien J. W.
Fargo W. D.	Ingram John C.	Smith T. H.
Gray H. P.	Littlejohn W. J.	Stuart H. C.
Harford W. P.		

Mr. Holman moved that the report be adopted, which was seconded and carried.

Mr. T. H. Smith—

Do not those names have to be voted upon? I have not the rules with me, but my impression is that a vote is necessary.

Mr. Holman—

We can overcome that. I move you, sir, that the Secretary be instructed to cast the vote of the Association for these Directors.

The motion was seconded and carried. The Secretary cast the ballot and the Directors were declared elected.

The President—

Now, gentlemen, we will take an intermission of five minutes before receiving nominations for officers.

After a brief intermission the President called the gentlemen to order and announced the name of another applicant for membership, Mr. T. M. Luce, Special Agent for several companies, Chicago.

Mr. Howard Gray moved the election of the gentleman in the same manner as his predecessors—the Secretary casting the vote of the Association.

The motion was seconded and Mr. Luce declared duly elected.

The President—

I wish every gentleman in the room would offer his assistance in a slight dilemma we are laboring under in arranging for the programme this evening. There has been some delay in getting out the invitations beyond the members of the Association, hence it is desirable for all of you, when coming in contact with Managers and General Agents of the companies who are now present in this room, or whom you may meet about the city, to inform them of the fact that their invitation has been accepted, and the banquet is to be held at half after 7 o'clock in this room. The invitations are now on the way, and may reach all in ample season; but I call upon you for assistance in this direction, wherever you find it can be applied. I will further add that in the arrangement of seats this evening, the wishes of those who are to participate will be carried out as far as possible, if they are expressed to the committee in charge in the room adjoining this. As you leave, you will please secure your tickets of admission in that same room. The tables will be arranged to seat eight persons, and it is desired that those who wish to sit together should indicate their desires to the committee of arrangements.

Before proceeding to the official business, I have one more name to announce, that of Mr. F. W. Little Jr., of Pleasant Hill, Mo., Special Agent of the Glens Falls Insurance Co.

It was moved and carried that his election take the usual course, and the Secretary declared the gentleman elected.

The President—

Now one other brief notice. The reprinted copies of the first five years' Proceedings are at hand in the corridor. If those who have not already secured copies to which they may be entitled on account of previous subscription, or by a present one, will call upon Mr. Adams, they can secure the volumes. Or correspondence with the Secretary can be had at any time.

Mr. J. C. Griffiths—

I want to say a word about the reprint of the early Proceedings. No reference having been made to the matter, it may not be well understood by the members. The reprint now completed consists of the first six years, 1871 to 1875 inclusive. There have been four hundred copies printed, and quite a number—I think some fifty or sixty—have already subscribed for this reprint. The Secretary has the names of those subscribers, and they will be entitled to the books free. There will be three hundred and twenty-five copies for sale, and it is thought the members will be very glad to pay \$2.50 apiece for them. The books are very handsome volumes. I wish to urge upon the members the necessity of sending in requests to the Secretary for these copies. We will need the money in order to reprint the other four years yet to be completed. I assure the members that if they will take pains to examine the books they will be very much pleased. I read the proof of the whole and I know it is all very interesting, and I would ask that the members keep the matter in mind and let the Secretary know promptly if they are inclined to take one of these volumes. The cost, \$2.50, will include expressage to the members' homes.

The President—

Gentlemen, you have heard the suggestion of Mr. Griffiths, our ex-Secretary, who has had this matter in charge, and I hope you will act upon it, and that each member of this Association will provide himself with a copy of these early Proceedings. You will find it a valuable book, and it will also enable us to reprint the reports of the following four years.

Are you now ready to proceed to the election of officers? If so, we will accept nominations.

#### ELECTION OF OFFICERS.

Mr. Eugene Harbeck—

Mr. President and Gentlemen of the Convention: I rise to nominate a field man for the Presidency of this Association during the coming year. The gentleman that I name to you is a man whom you all know, and he may be properly called one of the "Old Guard." He has always been on the right side; he has always been a member of this Association; he will make you a good President, and that is all I need to say for him. He is popular, he is decisive, he is prompt. I

desire to place in nomination Mr. Howard P. Gray, of the New York Underwriters' Agency. (Applause.)

Mr. Hall seconded the nomination.

Mr. Holman—

Mr. President, in the past I have noticed that when nominating candidates for the office of President of this Association, men without any faults have usually been found—perhaps with one exception. In looking over the audience, and studying the character of those who are eligible to this office, I have found one who, with his thousands of virtues, has perhaps one or two faults. He came from way down East as a boy and began work in the far West. He has grown to be a good Supervising Agent, a good Adjuster, and a good friend—with opinions of his own, and always ready to express them. About a year ago we were all surprised one Sunday morning to read that this gentleman had taken as a partner for life, in the most sacred of household relations, a Badger girl from Wisconsin. Now those of you who do not care anything for the gentleman I have nominated will please vote for the Badger girl, and it will count all the same.

Now, a few weeks ago there came into their home a little boy, and those of you who do not care to vote for the gentleman I have nominated, or for the Badger girl, can vote for the young man—this little son of the Adjuster and the Badger girl, and the vote will be counted just the same.

Gentlemen of the Northwestern Association, I have the pleasure of putting in nomination, as President of the largest Fire Underwriters' Association in the world, Mr. Thomas H. Smith. (Applause.)

Mr. D. W. Wells—

I second that nomination.

The President—

Gentlemen, we have in nomination two very excellent, hard-working members of this Association, Mr. Howard P. Gray, of the Underwriters' Agency of New York, and Mr. Thomas H. Smith, of the North British and Mercantile Insurance Co. of England. Are there any other nominations? If not, we will proceed to a ballot.

Mr. T. H. Smith—

Thanking those of my friends who have been willing to use my name in this connection, and feeling, as I do, that it is an office that should be neither sought nor evaded if it comes in one's way, but

being entirely unwilling to go into even a seeming contest, as there seem to be no other nominations, I wish to move, Mr. Chairman, that the Secretary of this Association be instructed to cast the ballot of this Association unanimously for Mr. Gray as our President.

Mr. Howard Gray—

Mr. President, I am very much obliged to Mr. Smith for his offer. I have had an opportunity this morning to find out who my friends are, and by his keeping still I had thought maybe Mr. Smith was one of them, but I am done with him too, now. This is a piece of snap judgment that has been sprung on me this morning, and I do not see how under heavens any man who cares anything for me wants to put me in nomination for such a position. I am free to confess that no man can have the nomination, or even a suggestion of one, for President of this Association, without feeling highly honored, as I do, but I think, as I told some of the gentlemen this morning, I am about as fit for this position as a powder magazine is for the infernal regions.

Mr. Harbeck—

I think the gentleman is entirely out of order. His remarks are entirely uncalled for. I believe he would make an excellent President and I myself would like to have the pleasure of voting for him.

The President—

I think the gentleman's point of order is well taken. A year ago, under similar circumstances, I was cut off from attempting to make any remarks; therefore Mr. Gray's remarks and also Mr. Smith's, unless seconded, I shall declare out of order.

Mr. Wells—

I move that a ballot be taken at once, if there are no further nominations.

The President appointed as tellers Mr. Frank Van Voorhis, Mr. George W. Hayes and Mr. Eugene Harbeck.

Mr. Wood—

Mr. President, if not too late, I rise to second the motion made by Mr. Smith in favor of Mr. Gray.

Mr. Crandall—

I think it is a pity these gentlemen should not be allowed to find out which has no friends here.

The President—

I do not think that is quite the way to put it. It is not, who has the most friends; it is that we shall have a friendly spirit of rivalry, to create more interest in our Association, that these nominations are made.

The President then declared the polls closed, and after counting the ballots, Mr. Van Voorhis announced the total number of votes cast to be 80, of which Mr. Gray received 49 and Mr. Smith 31. Mr. Gray was therefore declared elected.

Mr. Smith—

I now rise to move that the election of Mr. Gray be made unanimous. It would have saved time, you see, if the gentlemen had taken my advice in the first place.

The motion was then put and unanimously carried.

Mr. Gray—

MR. PRESIDENT AND FELLOW-MEMBERS: I desire to reiterate what I said a few minutes ago: that any man who is placed in the position I am now, not only being nominated, but elected, and who does not appreciate the honor done him, is differently constituted from what I am. I cannot begin to express to you my feelings and my thanks for the honor you do me in putting me in this position. So much for your kindness.

I desire to reiterate also the remark that I made to the first gentleman who spoke to me this morning: that I feel I am about as fit for the position as the infernal regions are for a powder magazine; but as the thing has gone in the way it has, I suppose I can but accept. I find myself in the position of the commander with whom I served in the United States navy—Admiral Daniel Ammon, a thorough old “sea dog.” He started in as a boy, a midshipman, and worked his way up to the position of Admiral, always having been in a sailing vessel. During the war he was ordered from some incoming ship which had brought him, I think, from the East Indies, to a monitor, the “Charleston.” He went aboard her, went down into his cabin, set down his packages and immediately turned around and told his orderly that he wanted a messenger boy. A messenger went to him and he said, “Tell the first lieutenant to pipe all hands to quarters,” which of course brought everybody on deck. He went up on deck and stood a few minutes looking about him. He looked the monitor all over. “Well,”

he said, "boys, this is what they have given us to fight these rebels with. I never saw anything like it before in all my going to sea; I don't know where they got it; I don't know anything about it. All I have to say is, if we get into a fight with the rebels we have got to give them hell." I simply repeat that sentiment in a modified form, and say that with the assistance of the Vice-President, Secretary and Board of Directors I will give you the best of my efforts.

The President—

Gentlemen, we will now receive nominations for Vice-President.

Mr. Wagner—

I am not sure what kind of a man I am going to nominate. I am simply going to say that I wish to nominate Eugene Harbeck, of the Michigan Fire and Marine Insurance Co., for our Vice-President.

Mr. George H. Moore—

Is not that out of order? Mr. Harbeck is not a Director.

The President—

I am under the impression that the President must be a member of the Board of Directors, but I do not know about the Vice-President.

Mr. T. H. Smith—

The By-law under which we act provides that the officers of the corporation be elected from the Board of Directors.

The President—All of the officers?

Mr. Smith—Yes, sir.

The President—

Thank you for the information; it is reliable, I am sure. I shall, with great regret, have to declare this last nomination out of order.

Mr. Harbeck—

I am very glad, Mr. President, that it is out of order.

The President—

Every one of the members of the Association, I am sure, regrets it.

Mr. Van Voorhis—

Mr. President, if it is in order, I would now like to place in nomination a name for Vice-President—that of a gentleman who has always been a member, I think, from the very start; always a staunch friend and regular attendant at its meetings, and who is a Director of the Association, Mr. W. P. Harford, of Ohio, State Agent of the *Ætna*.

Mr. I. W. Holman—

I second the nomination.

No other nominations being made, it was moved that the Secretary be instructed to cast the ballot of the Association for Mr. Harford as Vice-President for the ensuing year.

The motion was seconded and carried, and Mr. Harford declared duly elected.

The President—

Mr. Harford, I believe, is not in the room ; he will, however, be with us this evening.

Mr. E. A. Simonds—

Nominations for Secretary and Treasurer now being in order, I move you that Mr. E. V. Munn be re-elected Secretary for another year.

Mr. Hayes—

And that the President cast the vote of the Association for Mr. Munn.

The President put the motion, which was unanimously carried, and Mr. Munn was duly declared to be elected Secretary and Treasurer for the ensuing year.

Mr. Eggleston—

I think Mr. Munn ought to give us a speech. He has not said anything that is original ; he has read a few reports, that is all.

The President—

Mr. Munn will please give us something original.

Mr. Munn—

I wish to say, for the information of our members and friends, that in the reprint of the Proceedings they happened to get my initials correct, so I have not the excuse to say something original that Mr. Eggleston had ; however, I have to thank you very much for the honor you confer upon me, and shall try to fill the office to the best of my ability. I feel that the next few meetings of the Association will be very important ones, and there will no doubt be many duties connected with the office.

Mr. Fox—

I think it is due to the Secretary, in connection with the reprint



of the Proceedings, that the thanks of the Association be tendered to the Secretary and ex-Secretary.

The President—

Gentlemen, you hear the motion of Mr. Fox, that the thanks of this Association be tendered to Mr. Munn, our present Secretary, and Mr. Griffiths, our ex-Secretary, for the very satisfactory manner in which they have executed their duties in reprinting the first five years' Proceedings.

The motion was unanimously carried.

The President—

Is there any other business before this body?

Mr. Fox—

We have here representatives of the Insurance Press and the city press. I think that they are entitled to a vote of thanks for the duties that they have performed in the interests of this Association and of underwriting. It is not merely a work of honor, but of labor, and it should be recognized.

The motion was carried.

Mr. Hayes moved a vote of thanks be tendered the proprietors of the Hotel for the use of the Ladies' Ordinary, and other courtesies tendered this Association.

The motion was carried.

Mr. I. W. Holman—

I wish to move a vote of thanks to another gentleman who has had something to do with the success of this meeting. I realize how severe and exacting the duties of the Presidency of this Association are, and I appreciate how well the retiring President has performed them, and because I think, all things considered—and that is saying a great deal—it has been the best meeting we have ever had, I therefore move that a vote of thanks be given to the retiring President. (Applause.)

Mr. Hayes requested that the Secretary put the motion, which was unanimously carried by a rising vote.

Mr. Eddy—

Gentlemen, in rising to thank you for this further expression of your kindness and good will to me, I wish to say that some there are who think a person never ought to be thanked for doing his duty, but we have a reference in the good Book in that connection, when we

*Vote of Thanks to the Retiring President.* 207

are told that we ought to look forward to the welcome in the world to come, "well done, good and faithful servant." I therefore accept your thanks, and in so doing I wish to say that to *you* gentlemen are due my personal thanks for individual efforts on the part of all in maintaining me in my determination of a year ago, to present a programme which should be worthy of this great Association. I believe, gentlemen, you have accepted the programme as one that is worthy and acceptable. Your attendance has enabled us to carry the programme along as if by clock-work. There has not been a skip of a paper. We have reached the conclusion of our business at the time agreed upon in the beginning. We have had a full attendance at every session, and that means coöperation on your part. It is by coöperation that we can obtain and secure all things; without it there is no man so able, so strong, so influential that he can accomplish anything, but with such hearty and active coöperation as I have enjoyed in the past year during my term of service as President of this Association, and at this meeting, we have accomplished much, I think. I shall look forward with great interest to the future meetings of your State Boards for the fruits of this meeting. I shall hope to observe greater interest in your field associations, encouraged as they have been by the papers which you have heard read at these sessions. The speakers were selected and the papers prepared expressly to accomplish something that will tend to lift our profession to a much higher plane, and approach, at least, what Mr. Bissell pointed out to us.

I thank you, gentlemen, from the bottom of my heart, for your efforts with me to elevate this grand Association. I never dreamed, until a year ago, how influential this body could be made. We are entering upon the period of manhood of this Association. For twenty-one years we have been studying as a child, as a young man would, and now we are developing into manhood. From this time on this Association, if you will keep up your interest as you have manifested it in this meeting, will take rapid strides to greater prosperity than it has ever enjoyed. I wish, gentlemen, that you would remember these remarks, and do for my able successor, Mr. Gray, what you have done for me and for the glory of the Fire Underwriters' Association of the Northwest. (Applause.)

Gentlemen, if there is no further business before this body, I will declare the meeting adjourned.

Mr. Griffiths—

Mr. President, it is customary for the new President to call together his new Board of Directors immediately after adjournment. The new Board of Directors is to ratify the election of officers, as legally they are the only ones who can do so, and also to instruct the Secretary as to the printing of the Proceedings, authorizing him to pay the bills and meet expenses for the coming year.

Mr. Gray—

I would request that the Board of Directors meet in room 44 immediately upon this adjournment.

The President—

I now declare this meeting adjourned, to meet, not as a body, but as invited guests of the Managers and General Agents of the Northwest, at the banquet to be held in this room this evening at 7:30 o'clock.

• Adjourned subject to call of Board of Directors.

FIRST MEETING OF THE BOARD OF DIRECTORS

OF THE

FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST.

*Held Friday morning, Oct. 9, 1891, at the Grand Pacific Hotel, Chicago.*

Present: Mr. Howard Gray, Mr. J. P. Black, Mr. C. J. Holman, Mr. J. W. O'Brien, Mr. T. H. Smith, Mr. E. V. Munn, Mr. E. L. Allen (represented by J. O. Wilson).

Mr. H. P. Gray called the meeting to order.

Mr. Munn: First business is the election of the President. I move that the nomination and election of Mr. Howard P. Gray as President of the Association be confirmed.

The motion was seconded by Mr. Holman and carried.

It was moved and seconded that the nomination and election of W. P. Harford as Vice-President be confirmed.

The President put the motion, which was carried.

Mr. Munn moved that the annual dues be made the same as in prior years, five dollars.

The motion was carried.

The subject of printing the Annual Proceedings was next taken up. Mr. Munn stated that 400 copies had been amply sufficient in previous years, leaving a surplus of about 100 copies.

Mr. Holman inquired to what use the extra copies were put.

The Secretary stated that there was always more or less demand for copies, especially as years advanced and new members came in who wished to secure back numbers.

Mr. Holman remarked that if it were to become customary to reprint in one edition the Proceedings of several years, the single volumes would not be of much permanent value.

Mr. Smith stated that since the tenth year the Association had a complete record; the reprint was only to cover earlier years.

Mr. Holman observed that it had been intimated by some members that there was not money enough for other purposes after printing the Proceedings, and that if it made much difference in the cost it was better to have but 50 extra copies instead of 100.

Mr. Munn said that he considered 100 copies would more nearly meet the demand than 50.

Mr. Smith moved that the salary of Secretary be made the same as last year, \$200.

Motion was carried.

The Secretary stated that the only other business was the matter of the reprinting of the Proceedings; that the Association had a contract with a firm in Milwaukee who had agreed to reprint the first ten years' Proceedings for a consideration of about \$1,400; that Cramer, Aikens & Cramer also made a bid for same work and their figure was about \$2,700 for the same work, hence the Board accepted the bid of the former firm, King, Fowle & Co. They have printed the first half this year, taking pay *pro rata* on the work, and then the balance will be applied on the coming year. The Secretary desired the approval of the Board to continue the work.

Mr. Smith inquired what instruction the Association gave concerning the matter.

The Secretary responded that it seemed to be the unanimous opinion, as reported in the President's address.

Mr. Black inquired if there was anything in the contract with the printers requiring that the Association go ahead with the work this year.

The Secretary stated that there was no definite contract, but that the work was undertaken with that expectation, and he saw no reason why it should not be prosecuted.

It was moved that if, in the judgment of the Secretary, it was advisable to continue the reprinting of the Proceedings in accordance with this contract already entered upon, he should have authority to do so.

The motion was carried.

Mr. Black moved adjournment subject to the call of the President.

# BANQUET

TENDERED TO THE MEMBERS OF THE FIRE UNDERWRITERS' ASSOCIATION OF THE NORTHWEST BY THE INSURANCE MANAGERS AND GENERAL AGENTS OF CHICAGO,

AT THE

Grand Pacific Hotel, Chicago, Illinois,

FRIDAY EVENING, OCTOBER 9, 1891.

[NOTE.—The Secretary having no stenographic report of the remarks at the Banquet Board, cannot convey to the absent ones in better form the general outline of the festivities of that occasion, than to reprint the report of same as given in the *Chicago Times* of the following morning.]

The Ladies' Ordinary of the Grand Pacific Hotel last evening was the scene of a banquet given the members of The Fire Underwriters' Association of the Northwest by the Managers and General Agents of the fire insurance companies in Chicago. At the same time and place the twentieth anniversary of the great Chicago fire was commemorated. Many of the members of the Association were among the Adjusters and officers of fire insurance companies at that time. An elaborate *menu* was prepared, and it needed only the declaration of that veteran underwriter, Abram Williams, that the good things of the same would be discussed before the speeches began to start the service. Following is the

## MENU :

Blue Points.  
Mock Turtle.  
Cutlets of Salmon Trout, a la Normandie.  
Dressed Cucumbers.  
Fillet of Beef, Larded, Mushrooms.  
Browned Potatoes. Lima Beans.  
Croquette of Sweet Breads, Green Peas.  
Apple Fritters, Burgundy Sauce.  
Champagne Sorbet.  
Breast of Prairie Chicken.  
Celery Mayonnaise.  
Fancy Cake. Orange Jelly. Confectionery.  
Neapolitan Ice Cream.  
Fruit. Coffee. Roquefort.

The tables were arranged with eight plates at each, and a long table, extending the full length of the Clark street side of the room, seated some thirty gentlemen. The tables were tastily decorated with flowers and ferns. Tomaso's mandolin orchestra furnished excellent music, and the 200 underwriters and their friends present forgot the vexations and trials of their business to lose their separate identities in the completeness of friendship and good fellowship.

TALKING OF THE BYGONE DAYS.

The junior members of the Underwriters' Association sat at table, jogging elbows with the gray-haired men who had passed judgment upon insurance contracts before the young men were born. Even the air of the room was full of reminiscence. The bright gathering was in marked contrast to the duties of those same gentlemen twenty years ago. Among the number a gentleman was noticed whose company paid in Chicago the largest number of policies involved for the largest number of buildings and the largest amount of money ever paid by any company for losses at one fire in the world's history. The first loss paid by any company at this fire was by this company to John B. Drake, the genial host of the Grand Pacific Hotel, and the fact was conveyed by Associated Press dispatches all over the world, and went far to restore public confidence in the stability of American insurance companies. It was at that time generally believed that every insurance company was financially ruined, and Mr. Drake, upon receiving his draft, which was paid him in a dingy Canal street room utilized as offices, mounted upon a barrel and proclaimed the fact. The draft was passed from hand to hand among a crowd of more than 100 business men there assembled. The amount was \$7,500.

J. C. Hilliard, J. O. Wilson, J. S. Gadsden, George W. Hayes, I. W. Holman, J. P. Black, C. E. Bliven, George D. Dornin, George W. Adams, and R. J. Smith, all sitting at tables in the room, were here twenty years ago—to pay losses.

What a different smoke was that of the Perfecto cigars puffed vigorously into the air, as Chairman Abram Williams introduced the toastmaster of the evening, from that of a decade ago!

I. W. HOLMAN THE TOASTMASTER.

Abram Williams, Western Manager of the Connecticut Fire Insurance Company, presided, and opened the speaking. He wel-

comed the guests and announced I. W. Holman, General Agent of the British America Assurance Company, as toastmaster of the occasion. Mr. Holman, in assuming charge of the festivities, remarked that after the fashion of all races and ages—a fashion in which old Rome and older Athens indulged—a feast of reason and a flow of wit would follow the more substantial viands on which the members and guests of the Association had been regaling themselves. As an introduction to the speechmaking he asked Thomas H. Smith to read the poem which John Greenleaf Whittier wrote just after the great fire and entitled simply “Chicago.” Mr. Smith read the beautiful poem with fine effect, earning hearty applause.

ADDRESS BY THE HON. THOMAS B. BRYAN.

Mr. Holman then announced the Hon. Thomas B. Bryan, who responded to the toast, “The Chicago Fire and Insurance Companies.” Mr. Bryan was very happy in his remarks. He started out by saying he felt like the boy “Jim” in James Whitcomb Riley’s celebrated poem, and if his venerated father could see his youngest son going out to an insurance men’s banquet after having been to a soldiers’ banquet till 2 A. M. the night before he would rise up in spirit and say, “Well, good-bye, Tom; take keer of yourself.”

Growing serious, Mr. Bryan alluded to an incline on which he had ridden safely down to the depths of a salt-mine, and suggested that some of the inventive geniuses among the insurance men might be able to turn the principle to account in saving human life from the heights of burning buildings. Coming to his subject, the Chicago fire, Mr. Bryan said:

When one day, about twenty years ago, we saw our city being swept away by fire there was at least one consolation experienced by many, and that was the promise to pay for loss by fire which the assurance companies had given. And that these promises were faithfully kept in the face of such widespread disaster was at once the greatest compliment that could be paid to insurance and the greatest boon to those who had seen their all consumed by flames. The funds paid out by the insurance companies to the losers by the great fire furnished the foundation for the new start which Chicago took directly afterward.

COL. W. G. BENTLEY ON “INSURANCE AND BANKING.”

Mr. Holman next introduced Col. W. G. Bentley, who responded to the toast, “Insurance and Banking.” Col. Bentley prefaced his remarks by stating that when a gentleman came into his office the day before and asked if he would attend the banquet he replied, “Would a duck swim?” But when he had been asked to respond to a toast



that had put a rather different complexion on the matter. However, he wanted to be at the banquet, and as a speech was the price he was prepared to pay it, hoping to help himself safely through by observing the axiom that "brevity is the soul of wit." He said that insurance and banking, honestly managed, are the twin guardians of commerce. He quoted from Lyman J. Gage, who, in speaking of the great fire, said that there was scarcely any debtor of the city banks at that time but who suffered by the fire, and that it was impossible to tell if a single dollar of the securities held by the banks could be collected. The insurance companies came to the rescue, however, and paid the merchants and the merchants paid their debts to the banks, and the merchants and banks were in their turn saved from destruction. He said the great warehouses and mercantile firms of the Chicago of to-day were only made possible by the prompt action of the insurance companies, and that ever since he had learned of this he always felt, when he met an honest insurance agent, like taking off his hat.

In introducing the next speaker, Mr. Holman said that twenty years ago there was only one cow that had attained a world-wide celebrity. Then another cow appeared on the scene, and now the cow which jumped over the moon and Mrs. O'Leary's cow would go thundering down the ages in double harness. He called upon Hon. I. K. Boyesen to respond to the toast "Mrs. O'Leary's Cow."

I. K. BOYESEN'S ADDRESS.

Mr. Boyesen said a great many people were laboring under the impression that the cow was the sole cause of the great fire, but he always attributed the great misfortune, or what had turned out to be a fortune, to a flea. The flea bit Mrs. O'Leary's cow, the cow kicked the bucket and the lantern, and the city burned. The flea and the cow were the legitimate causes of the wonderful growth and changes which have made Chicago the best-known city in the world. He related that his brother had traveled in the far North during the last summer and had been guided by an Esquimau, who, when he learned he was from America, exclaimed:

"Ah! from Chicago?"

"No," said my brother, "I am from New York."

"New York!" exclaimed the child of the North; "where is New York? I thought that the only city in America was Chicago, the World's Fair city."

A world-wide sympathy was generated for Chicago by the great fire. Heads and hearts were drawn together in sympathy and in the courageous resolve that had made Chicago what it is to-day—the greatest, most enterprising city in the world. Mr. Boyesen then, with inimitable mimicry, told the story of one of Mrs. O'Leary's predecessors, the fatted calf of Scriptural fame, as he claimed it had been told to a New York congregation by an imported English curate. The story convulsed the audience with laughter. As another instance of remote effects from primary causes, the speaker cited Herbert Spencer to show that the number of cats in a neighborhood had a great deal to do with the crop of red-top clover. The bumble-bee which carries the pollen fructifying the clover plants has its greatest enemy in the field mouse; the field mouse's enemy in turn is the domestic cat; consequently the more cats the less mice, the more bumble-bees the better the crop of clover. "After all, then, who can say that the flea which bit Mrs. O'Leary's cow and caused that cow to kick over the lamp that started that great Chicago fire, did not have an important influence on the future of the metropolis of the West?"

#### THE POOR MAN'S INSURANCE.

W. P. Harford responded to the toast, "The Poor Man's Insurance," in the absence of Mr. Gray, who had been unexpectedly called away.

C. C. Hine, editor of the *Monitor*, was then announced to respond to the toast, "They All Do It." Mr. Hine said he had heard a song by that name sung once in San Francisco, and he at once proceeded in a deep baritone voice to sing the song. The other guests applauded and joined in the chorus. The burden of the song was a witty take-off on rate-cutting by Local Agents and the doubtful surprise of the home offices when apprised of the fact.

Mr. Eggleston was then called on by the toastmaster. He made some very witty remarks on the subject, "Insurance as It Applies to the Poor Man's Cottage and the Rich Man's Mansion."

"What we want is confidence in one another," said the speaker. "If we only had this confidence the insurance business would be as pleasant as the grocery or any other business. Those who receive an insurance policy would then feel as secure in their purchase as the purchaser of a pound of sugar. The poor man is all right. We all feel kindly toward him, and when we pay him his few hundred dollars insurance we do it probably with a little better feeling than when we

settle with the rich man for the loss of his mansion. The rich man is all right, too, and can take care of himself."

PAYING FOR THE GREAT FIRE.

The toastmaster next introduced J. O. Wilson, who spoke of "The Adjustment of Losses After the Chicago Fire." His was a more serious subject than those that had been allotted to his predecessors, he said. He spoke of the great, the overwhelming task which faced the insurance companies the morning after the fire, the task of adjusting the losses and paying—some companies only a few cents on the dollar and other companies 100 cents on the dollar. Even office-room for the agents of the companies was lacking. After months of hard labor, however, the losses had been adjusted and paid as far as the means of the companies allowed. He mentioned having noted one curious fact—the fact that throughout that frightful time he saw only one man shed a tear. That man was an insurance agent, the representative of a so-called "soulless corporation." He spoke of the utter completeness of the ruin wrought by the fire, a ruin so great that it was even difficult to distinguish localities in Chicago. In conclusion, he paid an earnest tribute to the men who successfully adjusted and, in so far as their companies were able, paid the losses of the great fire.

GEN. SMITH TALKS OF THE LADIES.

Gen. R. J. Smith responded to the toast, "The Ladies." He protested against always being assigned a subject with which he had little familiarity, and disclaimed being a "ladies' man" in ability, however commendable his inclinations that way might be. He did not, however, get out of it by emulating Artemus Ward, who, in his lecture on the "Babes in the Wood," discussed almost everything except those famous infants. Gen. Smith spoke of "The Ladies" with great felicity, considering his professedly small acquaintance with them. He especially defended Mrs. O'Leary, whom he considered a much-maligned woman, in proof of which assertion he said Mrs. O'Leary's husband had voted for him last fall. The proof was good-humoredly accepted for all it was worth by the audience. In conclusion, Gen. Smith warmly eulogized the noble women who had proved such valuable aids in retrieving the ruin wrought by the great fire.

CHARLES L. CASE'S REMARKS.

Charles L. Case was called on to respond to the toast, "Agency Underwriting in Chicago After the Great Fire." Mr. Case told how, after the fire, he and his partner were without even an office. They

figured up their loss and wired to the general office: "Losses probably \$750,000." The answer came back: "Adjust losses as fast as possible and draw on us for the amounts." "That was one of the pleasant features of agency underwriting," said Mr. Case, in conclusion.

W. F. Fox responded to the toast, "The Literature of the Great Fire." Mr. Fox said the task of portraying the scene which Chicago presented the morning after the great fire, compared with her present greatness, was simply beyond the ability of man in the short space of time allotted. He said some Michael Angelo might be able to paint with brush the picture of the two scenes, but it was beyond the descriptive power of the plain newspaper vocabulary in use at the present day.

Mr. Parsons, of Boston, was called on for a few remarks. He responded briefly and gracefully, speaking of the bonds of sympathy that unite New England with Chicago. While confessing that sentimentality in this prosaic age is at a discount, and that the man who indulges in it is likely to be termed a trifle "fresh" and "tender," he disclaimed any objection to being himself considered a little "tender." He concluded with an eloquent appeal to his associates to work hand in hand in the strong bond of sympathy, and to keep their hearts ever fresh and young, and beating in happy unison and harmony.

VOICE FROM THE GOLDEN GATE.

George D. Dornin, of San Francisco, was called for, and spoke of the work which the Pacific coast companies and their Adjusters performed in Chicago after the great fire. He complimented Chicago very highly on its enterprise, terming it the typical American city in "growth, grandeur and audacity."

Joseph R. Dunlop, who was to have responded to the toast, "The Public Press," was unable to be present, and his letter of regret was read.

C. F. Mullins, of San Francisco, spoke briefly. His remarks were chiefly addressed to the younger men of the fraternity, encouraging them to patient, conscientious effort.

Dr. J. S. Bloomington next spoke very briefly in response to the toast, "The Insurance Press." He commented on the fact that nearly all the leading editors of the Insurance Press are Western men.

N. B. Jones, of Michigan, was requested by the presiding officer to express the thanks of the Association to the city of Chicago and to

the gentlemen under whose auspices the banquet was held. He did so eloquently and forcibly, in a few well-chosen words. He said much had been done by somebody to make such a great success of the meeting and banquet. He thought that somebody was their retiring President, Mr. Eddy. He said the delegates from the Northwest would go to their homes and tell the people what a wonderful place Chicago is.

There is more brains, more energy, more pluck, and more gall to the acre in Chicago than any place on earth, said the speaker. He thought, however, that the matter of high buildings had been carried to just a trifle too high a point, and he was afraid that some disaster, even as great as the fire, might result from carrying buildings right up in the face of heaven, as it were. "I am glad you have no cyclones here," he said, in conclusion.

Gen. C. W. Drew was requested to say something regarding "The Modesty of Chicago." He considered it a very embarrassing subject, and protested that he was unable to discuss something which does not exist.

A vote of thanks was then tendered the proprietors of the hotel, and the assembly adjourned.

#### PARTICIPANTS IN BANQUET.

Those present were :

Adams Geo. W.	Berry E. H.	Cowles C. S.
Allabach E. W.	Burrows D. W.	Campbell P. S.
Andrews C. L.	Barry C. H.	Cornell H. T.
Allen E. L.	Burch T. R.	Cooper Geo. C.
Alverson H. C.	Brown J. Mabbett.	Condit E. M.
Aspinwall S. F.	Brown T. Y.	Critchell R. S.
Bentley Col. W. G.	Black J. P.	Cunningham T. S.
Bryan Hon. Thos. B.	Bradley C. B.	Crosby Geo. B.
Bliven C. E.	Bradshaw W. D.	Carlisle H. W.
Boyesen I. K.	Briggs T. W.	Calley E. J.
Boothby W. A. R.	Bloomington J. S.	Coe Henry.
Bowers H. E.	Buckman R. M.	Dornin G. D.
Blackwelder I. S.	Case Chas. L.	Drew Chas. W.
Bush H. W.	Crosby U. C.	Davies J. E.
Bliven Waite.	Carson Robert.	Daniel W. H.
Brant J. A.	Caswell Jas. H.	Devin D. T.
Bennett H.	Campbell Alex.	Donnelly J. R.

Eggleston Seth.	Hewitt Chas. A.	Matthews J. A.
Eddy H. C.	Hatch Geo. W.	McCauley E. C.
Eddy Geo. M.	Hayden H. R.	McDonald J. J.
Eaton S. S.	Holman I. W.	Mayberry J. J.
Englemann Chas. P.	Hammond L. D.	O'Brien J. W.
Evans A. N.	Hall C. A.	Oviatt F. C.
Farr Geo. D.	Hayes J. J.	Pribbenow B.
Fowler H. T.	Hitchcock C. I.	Parsons S. G.
Fox W. F.	Jewett W. H.	Page W. E.
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Straight H. J.,	Chicago,	Special Agent,	Niagara Fire Ins. Co.
Strickler David,	York, Pa.,	District Manager,	Sun Fire Office.
Stuart H. C.,	Des Moines, Ia.,	Sec'y and Treasurer,	Farmers' Fire Ins. Co.
Swager J. M.,	Warren, O.,	Special Agent,	Western, Toronto.
Sweeney A.,	251 16th, Denver, Col.,	Special Agent,	Traders', Chicago.
Theobald G. P.,	Louisville, Ky.,	State Agent,	American, Philadelphia.
Thomas John V.,	Dixon, Ill.,	Special Agent,	Traders', Chicago.
Thompson C. D.,	Harrodsburg, Ky.,	State Agent,	Liverp. & London & Globe.
Thummel W. F.,	Des Moines, Ia.,	Adjuster,	Liverp. & London & Globe.
Ticknor L. H.,	Peoria, Ill.,	State Agent,	Franklin, Philadelphia.
Tiffany H. S.,	169 Clark, Chicago,	Inspector.	
Tower Frank H.,	442 E. Water, Milwaukee,	Insurance Publ'r.	
Townsend A. F.,	Chicago,	Asst. Secretary,	Milwaukee Mech. Ins. Co.
Trembor Wm.,	Freeport, Ill.,	Special Agent,	Northern Assurance Cor- poration, England.
		Secretary,	German, Freeport, Ill.
			Fire Association, Phila.
			Spring Garden, Phila.
			Orient, Hartford.
			American, Phila.
			Union, Cal.
			Merchants', N. J.
Trezevant J. T.,	Dallas, Tex.,	Assoc. Gen'l Agt. S. W. Dept.,	

NAME.	ADDRESS.	TITLE.	COMPANY.
Trumbull A. J.,	Merriam Park, Minn.,	Special Agent,	Fire Association, Phila.
Tucker L. M.,	91 Main, Columbus, Miss.	General Agent,	Western Assurance Corp.
Tuttle L. S.,	Oshkosh, Wis.,	Special Agent,	Crescent Ins. Co., N. O.
Vail D. F.,	St. Paul, Minn.,	State Agent,	Queen, England.
Van Anden C. A.,	LaSalle, Chicago,	General Agent,	Hartford Fire Ins. Co.
Van Allen G. A.,	57 State, Albany, N. Y.,	President,	State Investment Ins. Co., San Francisco.
Van Voorhis C. E.,	203 LaSalle, Chicago,	Assoc. Manager,	Commerce Insurance Co.
Van Voorhis Frank,	Chicago,	Manager,	Niagara Fire Ins. Co.
Vance J. P.,	53 W. 3d, Cincinnati, O.,	General Agent,	Adjust't & Insp'n Bureau.
Wagner D. S.,	Chicago,	Special Agent,	Hamburg Bremen, Germ'y.
Walker E. S.,	Chicago,	General Agent,	Union Ins. Co., Phila.
Walker H. H.,	Chicago,	Sec'y Farm Dept.,	Imperial, Eng.
Wallace J. M.,	Dayton, O.,	State Agent,	American, N. Y.
Warner J. H.,	Milwaukee, Wis.,	{ State Agent and } Adjuster,	Home, N. Y.
Warner D. B.,	Chicago,	General Agent,	National, Hartford.
Warren W. S.,	Chicago,	Assoc. Manager,	Ins Co. North America.
Washington H. B.,	174 LaSalle, Chicago,	Special Agent,	Pennsylvania Fire.
Webber H. F.,	Dayton, O.,	Special Agent,	Phcenix, London.
Wells David W.,	841 Warren Av., Chicago,	State Ag't & Adj'r.,	Liverp. & London & Globe.
West Byron D.,	Grand Rapids, Mich.,	Deputy Inspector,	Hamburg-Bremen Ins. Co.
Weyth Peyton,	200 LaSalle, Chicago,	General Agent,	Connecticut, Hartford.
Wharton J. B.,	Jacksonville, Ill.,	Special Agent,	Fire Association, Phila.
Wheeler E. S.,	172 LaSalle, Chicago,	Sp'l Ag't & Adj'r.,	Mich. Inspection Bureau.
Whitlock J. L.,	208 LaSalle, Chicago,	Manager,	Commerce, Albany, N. Y.
Whitney F. H.,	Detroit, Mich.,	Sp'l Ag't & Adj'r.,	Home, N. Y.
Whittemore C. L.,	Chicago,	Special Agent,	Newark Fire, N. J.
Wile Edwin W.,	La Porte, Ind.,	Special Agent,	Glens Falls, N. Y.
Williams A.,	Chicago,	Manager,	Michigan F. and M.
Williams S. G.,	Denver, Col.,	Ins. Att'y & Adj'r.	Connecticut, Hartford.
Williams Geo. G.,	Minneapolis, Minn.,	Special Agent,	Manchester, Eng.
Wilson Geo. A. S.,	155 LaSalle, Chicago,	Adjuster,	Connecticut, Hartford.
*Wilson J. O.,	Chicago,	Adjuster,	
Wilson T. J.,	Macon, Mo.,	Special Agent,	
Wilson Uriah B.,	San Francisco, Cal.,	Manager,	Niagara Fire Ins. Co.
Windle Jos. J.,	Minneapolis, Minn.,	State Agent,	Providence-Washington.
Witherbee W. E.,	Chicago,	Special Agent,	Security, N. H.
Witkowski Con.,	174 LaSalle, Chicago,	General Agent,	Rochester German, N. Y.
Wood H. N.,	Omaha, Neb.,	Resident Secretary,	Liverp. & London & Globe.
Woodward M. S.,	Des Moines, Ia.,	State Agent,	Orient, Hartford.
Woodworth A. J.,	177-179 Broadway, N.Y.,	General Agent,	Hamburg-Bremen.
Wright John O.,	179 LaSalle, Chicago,	Special Agent,	N. British & Mercantile.
Wright Wm. M.,	Indianapolis, Ind.,	Special Agent,	Liverp. & London & Globe.
			Germania Fire, N. Y.
			N.Y. Underwriters' Agency.
			American, Philadelphia.

\* Honorary Members.

## In Memoriam.

NAME.	ADDRESS.	TITLE.	COMPANY.
Abbey A. J. B.,	San Antonio, Tex.,	Special Agent,	Home, N. Y.
Aldrich H. L.,	St. Louis, Mo.,	Proprietor,	<i>Western Ins. Review.</i>
Ashworth Wm.,	Chicago,	General Agent,	British Amer. Assur. Co.
Atwood John,	Alton, Ill.,	President,	Illinois Mutual, Ill.
Barry A. S.,	Godfrey, Ill.,	General Adjuster.	
Bassett E. J.,	Hartford, Conn.,	General Agent,	Ætna, Hartford.
Bennett J. B.,	Indianapolis, Ind.,	Local Board Coms'r.	
Bissell F. R.,	Dubuque, Ia.,	State Agent,	Hartford Ins. Co.
Boughton Frank S.,	Denver, Col.,	Special Agent,	Niagara, N. Y.
Burt Fred. E.,	Detroit, Mich.,	Sup'g Agt. & Adj'r,	Niagara, N. Y.
Chittenden W. G.,	Chicago,	General Agent,	Merchants' Ins. Co., N. J.
Clarke Geo. C.,	Chicago,	General Agent,	Boylston, Boston.
Clarke W. T.,	Des Moines, Ia.,	State Agent,	Franklin, Phila.
Coombe C. F. C.,	St. Louis, Mo.,	Special Agent,	British Amer. Assur. Co.
Cook Geo. H.,	Indianapolis, Ind.,	Secretary,	Franklin Ins. Co.
Cornell W. B.,	Chicago,	Superintendent,	N. British & Mercantile.
Cunningham A. M.,	Louisville, Ky.,	Sup't Agencies,	Queen of England.
Euler Philip, Jr.,	Evansville, Ind.,	Special Agent,	Springfield F. & M.
Forbes Wells W.,	Richmond, Ind.,	State Agent,	Royal Ins. Co.
Gould Geo. D.,	Chicago,	Adjuster,	Independent.
Harris J. S.,	Chicago,	General Agent,	Metropole Ins. Co., Paris.
Hawley A. H.,	LeRoy, Ohio,	Secretary,	Ohio Farmers'.
Hewitt Edgar A.,	New York,	Editor,	<i>Insurance Chronicle.</i>
Hosmer Frank B.,	Chicago,	General Insurance.	
Hough Judson J.,	Maroa, Ill.,	Special Agent,	Northwestern Nat'l Ins. Co.
Johnson T. W.,	Chicago,	Special Agent,	Sun Fire Office.
Keller P. C.,	Quincy, Ill.,	Special Agent,	Phoenix Ins. Co., Hartford.
Lewis Walter E.,	Chicago,	Adjuster,	Independent.
Lumbard S.,	Fort Wayne, Ind.,	General Adjuster,	Phenix Ins. Co., N. Y.
Marshall C. W.,	Urbana, O.,	Retired President.	
Morris Lewis R.,	Detroit, Mich.,	Manager,	Niagara Ins. Co., N. Y.
Morse Dr. Daniel,	Detroit, Mich.,	State Agent,	Home Ins. Co., N. Y.
Nieman A. D.,	Chicago,	Special Agent,	Orient Ins. Co.
Peetrey Jacob,	London, O.,	State Agent,	Fire Association, Phila.
Preston E. C.,	Detroit, Mich.,	Secretary,	Michigan F. & M.
Rice E. F.,	Cincinnati, O.,	Adjuster,	Ætna, Hartford.
Schultz Daniel,	Milwaukee, Wis.,	General Agent,	Milwaukee Mechanics'.
Sewell John,	Montreal, Canada,	General Adjuster,	Royal Canadian Ins. Co.
Spalding A. W.,	Chicago,	General Agent,	Home Mutual, Cal.
Travis A. C.,	St. Louis, Mo.,	Manager W. Dep't,	Fireman's, Dayton.
Underwood T.,	Chicago,	Adjuster,	Independent.
Vernor Benjamin,	Detroit, Mich.,	Special Agent,	Springfield F. & M.
Waters A. J.,	Cleveland, O.,	State Agent,	Continental, N. Y.
Wessenberg C.,	Mobile, Ala.,	General Agent,	Mobile Underwriters'.
Whitehead J. M.,	Chicago,	Sp'l Ag't & Adj'r.,	Imperial, England.
Whiting J. H. C.,	Philadelphia, Pa.,	Editor,	<i>Amer. Exchange &amp; Review.</i>
Young Mar. V. B.,	Rochester, N. Y.,	General Agent,	Commerce Ins. Co.

## HISTORICAL.

### ANNUAL MEETINGS OF THE ASSOCIATION.

- 1871—DAYTON, OHIO, February 22:  
C. E. BLIVEN, Chairman. R. L. DOUGLASS, Vice-President.  
\*J. S. REED, President. C. E. BLIVEN, Sec. and Treas.
- 1871—INDIANAPOLIS, IND., July 25 and 26:  
J. S. REED, President. R. L. DOUGLASS, Vice-President.  
\*A. C. BLODGET, President. C. W. MARSHALL, Vice-President.  
C. E. BLIVEN, Sec. and Treas.
- 1872—DETROIT, MICH., July 17, 18 and 19:  
A. C. BLODGET, President. C. W. MARSHALL, Vice-President.  
C. E. BLIVEN, Sec. and Treas.
- 1872—CHICAGO, ILL., September 18 (Special):  
A. C. BLODGET, President. C. W. MARSHALL, Vice-President.  
\*R. J. SMITH, President. S. LUMBARD, Vice-President.  
C. E. BLIVEN, Sec. and Treas.
- 1873—MILWAUKEE, WIS., July 16 and 17:  
R. J. SMITH, President. S. LUMBARD, Vice-President.  
C. E. BLIVEN, Sec. and Treas.
- 1874—LOUISVILLE, KY., May 20 and 21:  
R. J. SMITH, President. S. LUMBARD, Vice-President.  
C. E. BLIVEN, Sec. and Treas.
- 1875—CHICAGO, ILL., September 22, 23 and 24:  
C. W. MARSHALL, President. J. O. WILSON, Vice-President.  
C. E. BLIVEN, Sec. and Treas.
- 1876—CHICAGO, ILL., September 27 and 28:  
J. O. WILSON, President. B. VERNOR, Vice-President.  
C. E. BLIVEN, Sec. and Treas.
- 1877—CHICAGO, ILL., September 19, 20 and 21:  
C. E. BLIVEN, President. P. P. HEYWOOD, Vice-President.  
GEO. W. HAYES, Sec. and Treas.
- 1878—CHICAGO, ILL., September 18 and 19:  
I. S. BLACKWELDER, President. J. M. DRESSER, Vice-President.  
GEO. W. HAYES, Sec. and Treas.
- 1879—CHICAGO, ILL., September 17 and 18:  
GEO. W. ADAMS, President. W. B. CORNELL, Vice-President.  
GEO. W. HAYES, Sec. and Treas.
- 1880—CHICAGO, ILL., September 8 and 9:  
A. W. SPALDING, President. A. J. WATERS, Vice-President.  
GEO. W. HAYES, Sec. and Treas.

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\* Elected and entered upon their duties at this session.



## HISTORICAL.

### ANNUAL MEETINGS OF THE ASSOCIATION—Continued.

- 1881—CHICAGO, ILL., September 14 and 15:  
J. M. DRESSER, President. E. F. RICE, Vice-President.  
GEO. W. HAYES, Sec. and Treas.
- 1882—CHICAGO, ILL., September 6 and 7:  
W. B. CORNELL, President. J. M. NEUBERGER, Vice-President.  
GEO. W. HAYES, Sec. and Treas.
- 1883—CHICAGO, ILL., August 29 and 30:  
JAMES M. DE CAMP, President. C. W. POTTER, Vice-President.  
GEO. W. HAYES, Sec. and Treas.
- 1884—CHICAGO, ILL., September 10 and 11:  
CYRUS K. DREW, President. T. J. ZOLLARS, Vice-President.  
J. C. GRIFFITHS, Sec. and Treas.
- 1885—CHICAGO, ILL., September 23 and 24:  
J. L. WHITLOCK, President. T. H. SMITH, Vice-President.  
J. C. GRIFFITHS, Sec. and Treas.
- 1886—CHICAGO, ILL., September 8 and 9:  
W. F. FOX, President. H. H. HOBBS, Vice-President.  
J. C. GRIFFITHS, Sec. and Treas.
- 1887—CHICAGO, ILL., September 14 and 15:  
ABRAM WILLIAMS, President. W. R. FREEMAN, Vice-President.  
J. C. GRIFFITHS, Sec. and Treas.
- 1888—CHICAGO, ILL., September 12 and 13:  
ISAAC W. HOLMAN, President. J. C. MYERS, Vice-President.  
J. C. GRIFFITHS, Sec. and Treas.
- 1889—CHICAGO, ILL., September 17 and 18:  
JOHN HOWLEY, President. W. T. CLARKE, Vice-President.  
J. C. GRIFFITHS, Sec. and Treas.
- 1890—CHICAGO, ILL., September 10 and 11:  
E. A. SIMONDS, President. E. V. MUNN, Vice-President.  
J. C. GRIFFITHS, Sec. and Treas.
- 1891—CHICAGO, ILL., October 7, 8 and 9:  
H. C. EDDY, President. BYRON G. STARK, Vice-President.  
E. V. MUNN, Sec. and Treas.
- 1892—CHICAGO, ILL., September — and —: \*  
H. P. GRAY, President. W. P. HARFORD, Vice-President.  
E. V. MUNN, Sec. and Treas.

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\* Date to be named.

OFFICERS ELECTED

AT THE

TWENTY SECOND ANNUAL MEETING

OF THE

FIRE UNDERWRITERS' ASSOCIATION

OF THE NORTHWEST.

*FOR THE ENSUING YEAR 1891-92.*

*PRESIDENT.*

HOWARD P. GRAY, - - - - - CHICAGO, ILL.  
State Agent and Adjuster N. Y. Underwriters' Agency.

*VICE-PRESIDENT.*

W. P. HARFORD, - - - - - MORROW, OHIO.  
State Agent Aetna Ins. Co., Hartford, Conn.

*SECRETARY AND TREASURER.*

E. V. MUNN, - - - - - BELOIT, WIS.  
Special Adjuster Home Ins. Co., N. Y.

*BOARD OF DIRECTORS.*

E. L. ALLEN, Manager Royal Ins. Co., England, - - - CHICAGO, ILL.  
J. P. BLACK, Independent Adjuster, - - - - - CHICAGO, ILL.  
W. D. FARGO, General Agent Sun Fire Office, - - - ST. PAUL, MINN.  
HOWARD P. GRAY, State Agent and Adj'r. N. Y. Und. Ag'cy, CHICAGO, ILL.  
W. P. HARFORD, State Agent Aetna, Hartford, - - - MORROW, OHIO.  
P. P. HEYWOOD, Assistant General Agent Hartford Fire, Conn., CHICAGO, ILL.  
C. J. HOLMAN, Resident Secretary Commercial Union, Eng., DENVER, COL.  
JOHN C. INGRAM, Special Ag't Liverp. & London & Globe, INDIANAPOLIS, IND.  
W. J. LITTLEJOHN, Assistant Manager Connecticut, Hartford, CHICAGO, ILL.  
E. V. MUNN, Special Adjuster Home Ins. Co., N. Y., - - - BELOIT, WIS.  
J. W. O'BRIEN, Special Agent Phenix, Brooklyn, - - - GRAND HAVEN, MICH.  
T. H. SMITH, Special Agent N. British and Mercantile, - - - CHICAGO, ILL.  
H. C. STUART, Special Agent Western, Toronto, - - - DES MOINES, IOWA.





